



Daily Report

China

FBIS-CHI-91-021
Thursday
31 January 1991

Daily Report

China

FBIS-CHI-91-021

CONTENTS

31 January 1991

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

Foreign Ministry Holds Weekly News Briefing	1
Spokesman Urges Restraint in Gulf [XINHUA]	1
Expresses Concern Over Oil Spill [XINHUA]	1
Advocates Gulf Peace Efforts [XINHUA]	1
Hails Cambodian Peace Efforts [XINHUA]	1
Urges Japan To Be Prudent [XINHUA]	1
Deng Speaks on USSR Situation, U.S. Policy [Hong Kong CHENG MING 1 Feb]	2
'News Analysis' Evaluates Summit Postponement [RENMIN RIBAO 30 Jan]	2
Editorial Urges Mediation To End Gulf War [Hong Kong WEN WEI PO 31 Jan]	3
Column on State of the Union Address, Gulf War [Hong Kong TA KUNG PAO 31 Jan]	3
Roundup on Bush Speech, Cease-Fire Proposal [XINHUA]	4
Article Assesses U.S.-Iraqi Air Battle [JIEFANGJUN BAO 18 Jan]	5
Article Views Gulf War's Economic Impact	6
Part Four [Hong Kong TA KUNG PAO 23 Jan]	6
Part Five [Hong Kong TA KUNG PAO 24 Jan]	8
Experts View Possible Consequences of Gulf War [Hong Kong TA KUNG PAO 31 Jan]	8
Editorial Sees Opportunity for Foreign Investments [Hong Kong WEN WEI PO 28 Jan]	9
Adviser Urges Capital Flow to Developing Countries [XINHUA]	10
Article Views World Strategic Pattern [JIEFANGJUN BAO 4 Jan]	11
UN Representative Condemns Israel's Human Rights [XINHUA]	15

United States & Canada

Article Reviews Reasons for U.S. Timing in Gulf [Hong Kong LIAOWANG OVERSEAS EDITION 28 Jan]	15
White House Affirms No Change in Gulf Policy [XINHUA]	16
Future U.S. Financial Difficulty Discussed [RENMIN RIBAO 29 Jan]	17
Fitzwater Notes Differences Over START [XINHUA]	17

Soviet Union

Yuan Mu Interviewed on Socialist Reform [JINGJI CANKAO BAO 8 Jan]	17
---	----

Northeast Asia

Student Worker in Japan Seeks Refugee Status [Tokyo KYODO]	21
Kaifu Calls for Redefinition of Postwar Pacificism [XINHUA]	22
First Day of DPRK-Japan Talks Ends [XINHUA]	22
Guangdong's Xie Fei Greets Mongolia's Ochirbat [XINHUA]	22
Mongolian Army Delegation Visits Tianjin [Tianjin Radio]	22
Official Receives Mongolian Observation Group [NEIMENGGU RIBAO 3 Dec]	23
South Korea Trade Office Opens in Beijing [XINHUA]	23

Southeast Asia & Pacific

'Party Sources' on Vietnamese Visit to PRC [Tokyo KYODO]	23
Nouhak Phoumsavan Interviewed on PRC Visit [Beijing International]	23
CPPCC Delegation Ends Visit to Laos [XINHUA]	24

New Zealand Prime Minister Meets Rong Yiren [XINHUA]	24
Rong, McKinnon Hold Talks [XINHUA]	25
Thai Assembly President Receives Delegation [XINHUA]	25
National Theater Gift Handed Over to Burma [XINHUA]	26

NATIONAL AFFAIRS

Central Committee Plenum

Editorial on Central Committee 'Proposals' [XINHUA]	27
---	----

Political & Social

Pro-Democracy Activist Liu Zihou Sentenced [AFP]	28
Minister Said Charged With Embezzlement [HONGKONG STANDARD 31 Jan]	29
Li Peng Stresses Need To Combat Corruption [XINHUA]	29
Jiang Zemin Meets Religious Leaders [XINHUA]	30
Yuan Mu Views Reform, Open Policy Achievements [Beijing International]	31
CPC Honors Fu Xianzhong as Model Communist [XINHUA]	31
NPC Vice Chairman Peng Chong Visits Fujian [Fuzhou Radio]	32
Li Tieying Attends Meeting in Heilongjiang [Harbin Radio]	32
Chen Zuolin Conducts Investigations in Hubei [Wuhan Radio]	33
Public Security Official on Census Registration [XINHUA]	33
Peng Zhen Writes Name for New Journal [BEIJING RIBAO 13 Dec]	34
Governmental Structure To Be Streamlined [Hong Kong SOUTH CHINA MORNING POST 31 Jan]	34
Media Coverage of Gulf War Said Restricted [Hong Kong MING PAO 29 Jan]	35
Tan Qilong Views Shandong Dance Performance [Jinan Radio]	36
State Council Issues Rural Health Care Circular [CHINA DAILY 30 Jan]	36
China Supervision Society Established [XINHUA]	37
Commentator Urges Intellectuals To Contribute [RENMIN RIBAO 26 Jan]	37
Article on Population, Economic Growth [LIAOWANG 24 Dec]	38

Science & Technology

Song Jian at Meeting To Develop Dabie Shan Area [XINHUA]	39
Article Reports Interview With Satellite Expert [Hong Kong LIAOWANG OVERSEAS EDITION 17 Dec]	40
Three Nuclear Reactors To Go Into Production [XINHUA]	44

Military

Jiang Zemin's Attitude on Defense Lauded [JIEFANGJUN BAO 1 Jan]	44
General Staff Department Sets Training Tasks [XINHUA]	48
Training Simulators Important to Air Force [XINHUA]	49
Hubei's Guan Guangfu Views Militia Work [Wuhan Radio]	49
Mao Zhiyong Addresses Military District Meeting [Nanchang Radio]	50
Yang Rudai Addresses Sichuan Military District [Chengdu Radio]	51
Xinjiang Holds Meeting on Military Installations [XINJIANG RIBAO 8 Jan]	51
Tibet Holds Meeting on Military Installations [Lhasa TV]	52
Tianjin Holds Militia, Reserve Forces Meeting [Tianjin Radio]	52

Economic & Agricultural

Li Peng on Gold Production Goals, Disorder [Beijing Radio]	52
Tian Jiyun at Commerical Departments Meeting [XINHUA]	53
Minister on Establishing New Foreign Trade System [Beijing International]	54
Commerce Minister on Supply of Commodities [XINHUA]	54
Article Predicts 'Bright' Economic Prospects [Hong Kong LIAOWANG OVERSEAS EDITION 7 Jan]	54
Strategy for China's Economic Development [GUANGMING RIBAO 5 Jan]	57

Columnist Discusses 10-Year Economic Blueprint	[Hong Kong TA KUNG PAO 29 Jan]	60
Plans for Economic Development Analyzed	[Hong Kong WEN WEI PO 23 Jan]	61
World Bank Loan Yields Results in Rural Reform	[XINHUA]	63

REGIONAL AFFAIRS

Southwest Region

Guizhou Plans To Help Poverty-Stricken Areas	[XINHUA]	64
Pu Chaozhu Addresses Agricultural Work Conference	[Kunming Radio]	64

North Region

Wang Tonglin Elected Xingtai CPC Secretary	[HEBEI RIBAO 3 Dec]	65
Chen Liyou Elected Tangshan Party Secretary	[HEBEI RIBAO 3 Dec]	65
Hebei State Functionaries Appointments Reported	[HEBEI RIBAO 2 Dec]	65
Wang Qun Attends Rally To Commend News Reports	[Hohhot Radio]	66
Speaks on Propaganda Work	[Hohhot Radio]	66
Inner Mongolia People's Congress Hears Reports	[Hohhot Radio]	67
Inner Mongolia Enterprises Develop in 7th Plan	[Hohhot Radio]	67
Bonded Warehouses Benefit Foreign Investors	[XINHUA]	68

Northeast Region

Heilongjiang Official Assesses Economic Situation	[HEILONGJIANG RIBAO 22 Nov]	68
Township Enterprise Output Value Increases	[Harbin Radio]	77

Northwest Region

Gu Jinchu Calls for Implementing Plenum Spirit	[Lanzhou Radio]	78
Zhang Boxing Addresses Congress Committee	[Xian Radio]	78
Briefs Non-CPC Figures on Plenum	[Xian Radio]	78
Song Hanliang Urges Parties To Work for Xinjiang	[Urumqi TV]	79
Relays Plenum Guidelines to CPPCC	[Urumqi TV]	79
Congress Committee Studies 7th Plenum Communiqué	[XINJIANG RIBAO 11 Jan]	80
Discusses Plenum Results	[XINJIANG RIBAO 13 Jan]	81
Tomur Dawamat Conducts Xinjiang Textile Meeting	[Urumqi TV]	81

TAIWAN

Editorial Examines Trial of Wang Dan	[CHUNG KUO SHIH PAO 26 Jan]	82
Public Opposed To Aiding Multinational Forces	[Taipei International]	83
Prototype IDF Fighter Planes Exhibited	[CHUNG YANG JIH PAO 26 Jan]	83
Air Force Stages Night Attack Drill	[CHUNG YANG JIH PAO 26 Jan]	84

HONG KONG & MACAO

Hong Kong

International School Receives Bomb Threat	[HSIN WAN PAO 31 Jan]	85
Local Office To Handle Taiwan-Mainland Ties	[SOUTH CHINA MORNING POST 30 Jan]	85

Macao

Basic Law Consultative Committee Meets 28 Jan	[XINHUA]	85
---	----------	----

General

Foreign Ministry Holds Weekly News Briefing

Spokesman Urges Restraint in Gulf

HK3101075191 Beijing XINHUA in English
0742 GMT 31 Jan 91

[Text] Beijing, January 31 (XINHUA)—China today once again urged the warring sides in the Gulf to exercise the maximum restraint, so as to save people in the region from greater disasters.

Foreign Ministry spokesman Li Zhaoxing, speaking at a weekly news briefing this afternoon, noted that the Gulf war has lasted for half a month, and many civilians have suffered heavy losses of lives and properties.

"We deeply sympathize with them," he said when asked to comment on many civilians being victims of bombing in the Gulf war.

If the war extended or escalated, he said, that would bring about greater casualties and damages.

"We once again call on the belligerent parties to exercise maximum restraint, so as to save the people in the Middle East from even worse disasters," the spokesman said.

Expresses Concern Over Oil Spill

OW3101080891 Beijing XINHUA in English
0746 GMT 31 Jan 91

[Text] Beijing, January 31 (XINHUA)—China is "deeply worried" about the oil gushing into the Gulf, a Chinese Foreign Ministry spokesman said today.

Asked to comment on the oil spill into the Gulf in the on-going war, spokesman Li Zhaoxing said the enormous amount of oil that was let into the sea has brought about serious environmental pollution and may damage the marine biological resources and disrupt the ecological balance.

"The Chinese Government is deeply worried about it and calls on all parties concerned to refrain from such acts," Li said at a weekly news briefing here this afternoon.

Advocates Gulf Peace Efforts

HK3101081191 Beijing XINHUA in English
0803 GMT 31 Jan 91

["China Advocates Efforts for Gulf Peace"—XINHUA headline]

[Text] Beijing, January 31 (XINHUA)—A Chinese Foreign Ministry spokesman today hailed efforts for a peaceful settlement of the Gulf war.

Spokesman Li Zhaoxing, speaking at a news briefing this afternoon, noted that quite a few countries are making

"positive efforts for a peaceful resolution of the Gulf war, and this is commendable."

"It is also understandable that some countries have called for a U.N. Security Council meeting in this regard," Li said, in response to a question about China's attitude towards some Third World countries' calling for such a meeting on the Gulf war.

"We have all along stood for a peaceful settlement of the Gulf conflict through political and diplomatic channels, and are also in favor of the deliberations on the relevant issues by the Security Council at an appropriate time," he said.

Hails Cambodian Peace Efforts

OW3101083391 Beijing XINHUA in English
0809 GMT 31 Jan 91

[Text] Beijing, January 31 (XINHUA)—Chinese Foreign Ministry spokesman Li Zhaoxing said here today that China appreciates the forthcoming working visit to Vietnam by the co-chairmen of the Paris International Conference on Cambodian Question to continue their efforts for promoting a political settlement of the Cambodian question.

He made the statement at the weekly news briefing when asked to answer a question about China's comment on the forthcoming visit to Vietnam by the co-chairmen.

"We hope that Vietnam and the Phnom Penh side will show sincerity through concrete actions, take a realistic attitude, and accept the five framework documents on the Cambodian question adopted by the Permanent Five as well as the draft agreement, formulated on the basis of these documents, on a comprehensive political settlement of the Cambodian question, so as to achieve a comprehensive, just and reasonable political settlement of the Cambodian question at an early date," he said.

Urges Japan To Be Prudent

OW3101084091 Beijing XINHUA in English
0817 GMT 31 Jan 91

[Text] Beijing, January 31 (XINHUA)—China today urged Japan to be prudent on the sensitive issue of sending Self-Defense Forces abroad.

The remark was made by Foreign Ministry spokesman Li Zhaoxing at a news briefing here this afternoon, when he was asked to comment on Japan's decision to send Self-Defense Forces aircraft to the Gulf region for evacuating refugees and to provide an additional 9 billion U.S. dollars for the U.S.-led multi-national forces.

"The Chinese Government's position on the question concerning Japan's sending Self-Defense Forces on overseas mission remains consistent," Li said.

"We hope the Japanese Government will act with prudence in dealing with such sensitive issues," he said.

Also, Li said he expects Japan to make efforts in seeking a peaceful settlement of the Gulf conflict.

Deng Speaks on USSR Situation, U.S. Policy

HK3101100191 Hong Kong CHENG MING in Chinese No 160, 1 Feb 91 p 17

[From the "Reference News" column by Huo Yong-tse (7202 3057 3419): "Deng Xiaoping Gloats Over Crisis in Soviet Union"]

[Text] In the afternoon of New Year's Day, senior party, government, and army leaders such as Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, and Yang Shangkun gathered to visit Deng Xiaoping. Deng Xiaoping was in a good mood, and gave an important instruction: "The situation early last year was different from the situation this year. Eastern Europe, the Soviet Union, and other places in the world are not peaceful. We have seriously grasped stability and gotten rid of interference; now, as we look back, we know we have accomplished the task, and there are some results." Deng Xiaoping incisively criticized the policy toward China adopted by the United States and the Western countries. He said: They thought once they imposed sanctions and blockades, we would yield and submit; perhaps they have realized by now that this is applicable to others but not to us.

'News Analysis' Evaluates Summit Postponement

HK3101095591 Beijing RENMIN RIBAO in Chinese 30 Jan 91 p 6

["News analysis" by staff reporter Zhang Qixin (1728 0796 2500): "Why Has the U.S.-USSR Summit Been Postponed?"]

[Text] Washington, 28 Jan—The new Soviet Foreign Minister Bessmertnykh held two meetings with U.S. Secretary of State Baker in Washington on 26 and 28 January and also met with U.S. President Bush. The two sides held talks on the Gulf war and on issues concerning recent bilateral relations. After the meeting, the two countries jointly announced that the U.S.-USSR heads of state summit originally scheduled for February this year would be postponed to a later date in the first half of this year.

The holding of the summit was decided through consultation during former Soviet Foreign Minister Shevardnadze's visit to the United States from 9 to 12 December last year. At that time, the two countries also agreed that when the two heads of states meet, they would sign a treaty on the reduction of offensive strategic weapons as well as some economic and scientific and technological agreements. Why cannot the summit be held as originally scheduled? The reason cited in the joint communique by the two foreign ministers was: Because of the Gulf war, Bush could not leave Washington for Moscow; besides, preparation of the nuclear treaty has not been completed. But the media here maintained that the

upheaval in the Soviet Union's Baltic states was a hidden factor in the U.S. consideration to postpone the summit.

Nearly a month after the talks between the U.S. and USSR foreign ministers in December last year, the sudden resignation of former Soviet Foreign Minister Shevardnadze, tension in the Soviet Union's domestic situation, the Gulf war's outbreak, and stagnation in the U.S.-USSR nuclear talks have brought some unexpected problems to U.S.-USSR relations, prompting the United States to reconsider the summit and eventually leading to its postponement.

The first is the arms control issue. The signing of a nuclear treaty was to be the U.S.-USSR summit's principal goal. Originally, the United States and the Soviet Union already reached an agreement on some major issues regarding the treaty and there remained only some technical problems. But the recent talks have shown that efforts to translate matters already agreed upon into treaty language have suffered some setbacks while the technical issues are unlikely to be resolved quickly. At the same time, owing to differences in the interpretation by the two countries of the treaty on reduction of conventional weapons in Europe signed last November, the United States has yet to submit the treaty to Congress and the Senate for ratification. And even though it has announced that the treaty on conventional weapons is not directly linked to the nuclear treaty, the United States has also indicated that unless the differences on the conventional weapons treaty are ironed out, it was in no hurry to sign the nuclear treaty.

Secondly, the United States and the Soviet Union do not share the same views on the Gulf war which broke out recently. The Soviet authorities have reservations about the aerial bombardments carried out by the United States, and are concerned that the war would exceed the scope of the UN Security Council resolution and thereby cause serious destruction of Iraq. Meanwhile, the U.S. Government has repeatedly declared that Operation Desert Storm's objective was "to force Iraqi troops out of Kuwait" and that the United States did not want to see the destruction of Iraq itself. The media here maintained that the United States would not want to hold a summit and not have a unanimity of views between the United States and the Soviet Union on the Gulf war.

Next is the situation in the Soviet Union's Baltic states, where the differences between the United States and the Soviet Union are not insignificant. With regards the situation in the Baltic republics, the Soviet Union maintained that it is an internal affair, while the United States held that it is a sensitive issue in its foreign policy. On several occasions the U.S. Government has expressed its "serious concern" over the Soviet authorities' action. For its part, the U.S. Congress passed a resolution strongly condemning the Soviet Union and even asked the government to review its economic assistance as well as scientific and technical exchanges with the Soviet Union.

Thus, it does not seem surprising that the U.S.-USSR summit cannot be held as scheduled because of these factors. However, even if some problems should emerge in U.S.-USSR relations recently, in view of their respective interest considerations, both countries do not wish to see harm to already improving relations. Perhaps, this is also the reason the two foreign ministers refrained from citing mutual differences in the statement announcing the postponement of the summit.

Editorial Urges Mediation To End Gulf War

HK3101042591 Hong Kong WEN WEI PO in Chinese
31 Jan 91 p 2

[Editorial: "Peace Mediation Efforts Should Still Be Cherished"]

[Text] The U.S.-led allied forces said they would soon begin a ground attack on Iraqi forces but that ground units would only begin operation after the bombing scored results. Iraq's current strategy is not to sit back and observe the air superiority of the allied forces, but to quickly engage the ground units of the allied forces and inflict casualties on the allied forces through ground battles. Saddam Husayn once said the United States could not bear a war that would cause casualties as high as 10,000 men.

"Fear that the number of dead is too great" is a weakness in American politics. Therefore, the U.S. forces chose the plan of pounding by air force in an attempt to first weaken Iraq's logistic and economic strength and then deprive Iraq of its ability to fight a protracted war. Iraqi forces think that as long as they can quickly drag the allied ground units into combat, their enemy will lose the conditions for fighting a war of attrition, and Iraq can prolong the war. The Iraqis also think that when casualties of the U.S. forces increase day after day, antiwar pressure and political storms will occur in the United States.

Because of this, the Persian Gulf witnessed a situation that people probably would not have predicted: It was not the allied ground units which first attacked the Iraqi Army, it was the Iraqi forces, which are deep in their defensive bunkers, which first charged into Saudi Arabia's border town al-Khafji, where street fighting broke out.

This surprise attack was seemingly a harassment aimed at provoking the army of the allied forces which is already anxious to fight. In the past few days, the U.S. media boasted that the pounding on Iraq's Republican Guards has already scored great results, victory is easily assured, the peak will come very soon, and allied ground units will charge into Kuwait and meet little resistance. "CNN sequelae [houyizheng 0683 6695 4017]" has caused a terrible headache for the White House and the Pentagon; those who watched the street fighting in al-Khafji on television were puzzled, and the White House was under pressure to launch a ground attack ahead of schedule.

U.S. television continuously relates "live" reports on the Gulf war, but no footage was allowed to freely report on casualties, and all the "live" reports were cleared by the military, for fear that these reports will arouse antiwar sentiments.

Indeed, a ground attack at this moment will result in many casualties. The United States certainly hesitates, while the international community also does not want to see large-scale slaughter and greater damage to the earth's resources and ecological environment.

Foreign ministers from six Gulf countries held an emergency meeting to discuss the current tense situation. Iran proposed a Islamic peacekeeping force to replace allied and Iraqi forces be stationed in Kuwait. Syria said it would support Iran's proposal and unite with various forces to attempt to bring about peace. In Asia, India, Malaysia, Indonesia, Thailand, Bangladesh, Pakistan, and Sri Lanka urged an early end to the Gulf war. Ireland and Sweden are looking for a method to end the Gulf crisis. Some East European countries demanded a cease-fire as soon as possible. India, Algeria, the Soviet Union, and Iran also made peace proposals to the UN Security Council. Since the war broke out, the Chinese Government has repeatedly urged both sides to exercise the greatest restraint and to prevent the spread and expansion of war; it also urged the international community to keep working for a peaceful solution. Neither the United States nor Iraq accepted these proposals, however. This reflects that both sides wanted to increase and consolidate their gains from war and to force the other side to yield. At present, conditions for talks are not ripe; however, as long as the international community does not give up peace efforts, and as long as the calls for peace and against war among the peoples in various countries become louder, the hope for peace still exists. Once the time comes, the flame in the Gulf will be extinguished. Therefore, every peace mediation effort should be cherished.

Column on State of the Union Address, Gulf War

HK3101104791 Hong Kong TA KUNG PAO in Chinese
31 Jan 91 p 2

["Political Talk" column by Shih Chun Yu (2457 0689 3768): "Excessive Boasts in Bush's State of the Union Message"]

[Text]

Boasting of the Role of World Military Policeman

U.S. President Bush delivered his State of the Union Address yesterday morning (Hong Kong time), spending most of the time on the Gulf war. He said: "Only the United States is capable of having the moral and spiritual stand and the necessary means to fight Iraq in the name of world peace."

Does the United States really have this kind of aspiration of "asserting justice on behalf of heaven?" Is the United

States so strong that it can serve as "world military policeman?" I believe that many people have doubts.

In his message, Bush said Iraq would be defeated and economic recession in the United States would end! It is too early to jump to these two conclusions. The variables in the Gulf war are continually changing. First, along with the development of the war situation, the United States and the multinational forces are likely to face more antiwar, divisive, and centrifugal pressure at home and abroad. The optimistic words by Bush are only exaggerations commonly used by politicians.

French Defense Minister Jean-Pierre Chevenement resigned the previous day, for he did not like the frantic and wanton bombing by American aircraft. He said: "The logic of war makes us risk the danger of shifting more and more away from the goal defined by the United Nations." At the beginning of the war, he said: "Based on this war logic, hundreds of thousands of people would die in the Gulf." Barely 12 days into the war, different opinions arose from within the allied forces.

Half a Month Into the War; Changes Occurred

Second, the Palestinian guerrillas in south Lebanon shelled Israel in the past few days, saying that they wanted to "open a second front." Third, a large number of Iraqi aircraft flew to Iran, and the United States and Britain were puzzled, suspecting that there might be some secret agreement between Iraq and Iran. Fourth, Israel said that "it has run out of patience," that if it is still being hit by Iraqi missiles one month after the outbreak of the war, it will ignore U.S. efforts to stop it and launch a large-scale counterattack in revenge.

We can say that these four changes are only the beginning of complications in the situation. Yesterday, ground combat started, and Iraq sent a unit to charge into Saudi Arabia. The United States admitted that 10 Marines died. When the real ground operation begins, U.S. casualties will increase, and antiwar strength at home and abroad will reach a higher peak, while the U.S. deficit and military expenditure will speed up and intensify the economic recession in the United States.

Rebuilding the "Star Wars" Project, Arms Expansion Is Inevitable

In his message, Bush said that after the war is over, the United States will restore the development of the "Star Wars Plan" and explore more advanced hi-tech weapons, to "protect the United States and its allies." The result of this move will be to once again set off the arms race and war preparations. The message also said that "ideas on postwar planning" should be put forward for the Middle East. It can be predicted that if these are for maintaining U.S. oil interests in the Middle East after the war and Israel's "absolutely superior position in the Middle East," it is doubtful whether this concept will be accepted by the populous Arabs and Palestinians.

The United States raised the banner of "asserting justice on behalf of heaven," and took the lead in fighting in the Gulf, but everyone knows that the main reason is to protect the oil in the Middle East. Known oil reserves in Kuwait amount to 95 billion barrels, 9.5 percent of the world's reserves, and 14.4 percent of the reserves in the Middle East region. If Iraq is allowed to grasp Kuwait, then 20 percent of the world's crude oil, and 30 percent of the oil in the Middle East will be controlled by Saddam. In December 1941, Japan launched a surprise attack on Pearl Harbor, and the purpose was looting the oil in the south. At that time, Admiral Nimitz, commander of the U.S. Pacific fleet, said: Oil, weapons, and food are factors in victory, and oil is number one. We can see, therefore, that the current Gulf war is in essence inseparable from the struggle for oil. To fight and bleed for oil; this will not be accepted by most Americans.

Roundup on Bush Speech, Cease-Fire Proposal

OW3001133291 Beijing XINHUA in English
1300 GMT 30 Jan 91

[Update XINHUA Gulf Roundup at 1230 GMT: Bush Gets More Contributions, Roaring Support in Congress, Floats Cease-Fire Idea"—XINHUA headline]

[Text] Beijing, January 30 (XINHUA)—While awarded with a new German contribution, and sustained applause from U.S. Congressmen for his State of the Union message, George Bush today came forth with a joint cease-fire offer with the Soviet Union to Iraq.

After three days of talks between the U.S. and Soviet foreign ministers, a joint statement was issued today saying "cessation of hostilities would be possible if Iraq would make an unequivocal commitment to withdraw from Kuwait."

The two foreign ministers also promised to work for the solution of the Arab-Israeli conflict once hostilities end.

The statement, apparently a move somewhat towards linking the Gulf war to settlement of the Arab-Israeli conflict—something Saddam Husayn had demanded—said after the war is over "mutual U.S.-Soviet efforts to promote Arab-Israeli peace and regional stability, in consultation with other parties in the region, will be greatly facilitated and enhanced."

Noteworthy, the joint statement cautiously avoided mentioning an international Middle East peace conference which is being pressed by Saddam Husayn.

No echo from Baghdad has been heard so far.

In some way, the superpowers' new initiative was overshadowed by the widely televised annual State of the Union address made shortly afterwards by U.S. President George Bush to a joint session of the Congress.

Bush received a sustained standing ovation when he paid tribute to U.S. military personnel in the Gulf in his second such speech as president.

Bush condemned Iraqi President Saddam Husayn, saying "Saddam Husayn's unprovoked invasion" "violated everything the community of nations hold dear."

"The world has said this aggression would not stand—and it will not stand."

Bush warned three times that if Saddam Husayn thinks he can succeed through Scud missile attacks on civilians, despicable environmental terrorism or abusing prisoners of war "he is dead wrong."

Bush called the allied cause moral and just and claimed that the U.S.-led multinational force fighting in the Gulf is for "a big idea: a new world order."

He said, "what is at stake is more than one small country; it is a big idea: a new world order—where diverse nations are drawn together in a common cause, to achieve the universal aspirations of mankind: peace and security, freedom, and the rule of law."

Meanwhile, in an interview with Saddam Husayn conducted yesterday by CNN reporter Peter Arnett, the Iraqi leader also showed confidence of victory, seeing the ongoing fightings as a war between good and evil and Iraq will win ultimately.

Bush has more reasons to be optimistic as he received a phone call yesterday from German Chancellor Helmut Kohl who thanked him for his leadership and informed him about an additional contribution of 5.5 billion U.S. dollars in cash from Germany—a country making a lukewarm participation in the U.S.-led anti-Iraqi coalition because of constitutional restrictions.

The new contribution will be used to cover the U.S. war expenses in the first three months of this year.

Germany had contributed 2.2 billion dollars—7 billion went for war expenses and the rest for the front line states.

In another development, the South Korean national news agency YONHAP said today that South Korea may offer an extra 450 million U.S. dollars to support the multinational forces' operation in the Gulf. It said an official announcement will be expected within a week.

Article Assesses U.S.-Iraqi Air Battle

HK3101074991 Beijing JIEFANGJUN BAO in Chinese
18 Jan 91 p 3

[Article by Guan Youxun (4619 2589 8113) and Dong Wenxian (5516 2429 0341): "A Look at How the U.S.-Iraq Air Battle Will Fare"]

[Text] The international community is divided in its assessment of the kind of military strategy adopted by the U.S.-led multinational forces in the Gulf. One point, however, is unanimous: Given the obvious superiority enjoyed by Iraq's ground troops, efforts should be made to avoid a protracted war of attrition on land while a

strategy exploiting air power should be applied in order to neutralize the superiority enjoyed by the Iraqi troops in terms of ground and armored forces. While air power alone will not fully achieve the objective of driving Iraqi troops out of Kuwait, it will undoubtedly play a decisive role in every strategy and battle plan that comes under consideration. The basis for a decisive role to be played by air power is the indisputable superiority enjoyed in this regard by the multinational forces over Iraq's air force.

Air superiority may be divided into absolute and relative superiority. Both quantity and quality are very important in the structural composition of air power; however, as the functions of weaponry, level of training, and state of war readiness among the air forces of different countries vary widely, the quality factor takes up a much greater proportion in the structural composition of air power. Under the premise of an unchanging quantity, quality superiority becomes a deciding factor. Presently, the air power of the contending sides in the Gulf region is basically as follows: The multinational forces have 3,500 aircraft of different models (with some 2,800 aircraft belonging to the U.S. forces); this is roughly five times the number possessed by the Iraqi Air Force. More importantly, the Iraqi Air Force lags far behind the multinational forces, especially the U.S. Air Force, in terms of quality.

Looking at the technical functions of the weapons, Iraq has very few technically advanced aircraft. For instance, the third-generation fighter plane MiG-29 which has fairly strong air control capability accounts for only three percent of its total air fleet, while more than 60 percent of this is made up of first-generation fighter planes such as the MiG-21. Meanwhile, most of the U.S. aircraft are third-generation fighter planes. The "generation gap" in aircraft translates into an enormous difference in terms of fighting capability. For instance, the fighting capability index of the MiG-21 is only 6.9, while that of an F-15A is as high as 16.2.

The United States' advanced aircraft technology manifests its vivid superiority in actual war operations:

Wide scope of air control. The majority of the United States' tactical fighter planes have a combat range exceeding 1,000 kilometers and could establish overall, in-depth, and multilevel air control over a projected battlefield as well as cover from firepower.

Ability to operate under all kinds of weather and climate. U.S. aircraft are equipped with night vision devices and complex meteorological guidance and attack systems. The darker it is, the better they are able to display the superiorities.

Heavy payload carried by the aircraft. One is the immense amount of payload they can carry. Among the attack aircraft, the strategic bomber B-52 can carry nearly 30 tons of armaments. Tactical fighters usually can carry four to eight tons, with the F-15E capable of carrying 11 tons, which is higher than the greatest load (nine tons)

carried by the heavy bomber plane B-29 during World War II. Air control aircraft can carry air-to-air missiles used frequently in air assault. Second is the strong performance on long-range attack. The air-to-surface missiles loaded on attack aircraft can be launched outside the range of air defense firepower. The cruise missiles carried by B-52s have a range of 1,500 km. Meanwhile, air control aircrafts can carry short-range attack missiles as well as missiles with launching ranges of 10 to hundreds of kilometers. Third is the high rate of target accuracy. An air control aircraft could be larger than a transport aircraft, has both surveillance and strike capabilities, and can track down several targets at one time. Foreign armies have predicted that the score of a U.S.-Iraq air battle would be 50 to one. Most attack aircraft are equipped with sophisticated guided weapons with circular probable errors as follows: short range attack from zero to two meters and long-range attack from 10 to 30 meters. In effect, they can pinpoint their targets, which greatly enhances their assault power. According to tests and estimates by foreign armies, an A-10 fighter plane can destroy a tank company in a single sortie; the odds of an "Apache" helicopter antitank killer carrying out its mission and incurring damages are 90 to one.

Strong performance in electronic warfare. Regarding the electronic warfare aircraft and fighter aircraft like the EF-111, EA-6B, and F-4G deployed in the Gulf, their radar, infrared jamming devices, and warning systems are sufficient to provide the necessary electromagnetic superiority in an air battle.

Strong performance in reconnaissance and advanced warning. The deployment of more than 10 satellites, including photo reconnaissance, radar reconnaissance, and early-warning satellites and of reconnaissance aircraft such as the SR-71, TR-1, and RF-4 provide all-weather, all-climate, split-second, and high-resolution reconnaissance capability. This offers a high visibility of the important targets as well as battlefield conditions in Iraq. The Air Force's and the Navy's AWACs [airborne warning and control systems] could also continuously and simultaneously monitor the movements of the Iraqi troops. **Strong performance in antiradar strikes.** Most of the dozens of U.S. radar-invisible fighter bomber planes F-117A have been moved to the Gulf; the strategic bombers and tactical fighters can all fly at low altitude and high speed to carry out strikes.

Strong performance in air transport. The United States' strategic and combat transport aircraft can airlift the 82d Airborne Division and the Special Forces at high speed to any point in the Gulf.

Modern air battle and tactical combat is a continuous group operation that is carried out through the organic combination of the time and space elements of the weapons system. The degree of preparation and superiority of each branch (service) determines the strength of the group and the effectiveness of combat operations. At present, the aircraft assembled in the Gulf come from the

three branches of the U.S. forces, and they include more than 20 varieties of aircraft including reconnaissance, AWACs, interceptors, attack airplanes, bombers, refueling jets, electronic warfare aircraft, carrier aircraft, and helicopters. They could form the best coordination in offensive and defensive operations.

Furthermore, U.S. air power also has many other capabilities including defense-suppression, destruction, and encircled strikes that enable it to hit all kinds of air, sea, and land targets and to complete all sorts of missions except occupation of land. In particular, its ability to accomplish such missions as the achievement of air supremacy, tactical strikes, jamming, antitank, ground support, airborne, and assault of Iraqi fronts will be very vital and effective in accomplishing the expected strategic goal.

Generally speaking, weapons technology can determine the effectiveness of an operation, and this, in turn, can decide fighting ability. Naturally, force and the use of force are not one and the same thing. The translation of air superiority into air supremacy and eventual victory will require exceptional commanding skills from the commanders and initiative from the participating units. To a large extent, the victors and the losers of the Gulf war will be decided in the techniques applied by both sides in the conduct of the air battle.

Article Views Gulf War's Economic Impact

Part Four

HK3101041991 Hong Kong TA KUNG PAO in Chinese
23 Jan 91 p 4

[Report by staff reporter Lin Ning (2651 1337): "Fourth Part of Report on Guangzhou Experts' Views on Effects of Gulf War on World Economy"]

[Text] Guangzhou, 22 Jan (TA KUNG PAO)—When people's attention is concentrated on the Gulf war, oil traders, fearful of another crisis, are working out countermeasures. As Lei Qiang, director of the Hong Kong and Macao Research Institute of Zhongshan University, pointed out: Although not many official figures have been released, the negative effect is beyond question. Take petroleum as an example. As the largest oil refining base in China, Maoming has an annual refining capacity of 8.5 million tonnes, with two-thirds of the crude oil coming from the Middle East. The Gulf war has caused many plants to suspend production. Shenzhen also imports over 28 percent of petroleum from the Middle East as raw material, the cost of which alone increased by \$10 million before the war. As for Hong Kong and Taiwan, which rely on oil imports, the scope of impact is even bigger.

Speeding Up Oil Prospecting and Exploitation

Ordinarily, there is no problem for China, as an oil-producing and exporting country, to produce oil for its own use, but oil has always accounted for a considerable

proportion of China's export commodity mix and a quarter of its total foreign exchange earnings, second only to textile export. According to statistics, the highest annual foreign exchange earning from crude oil export was \$5.25 billion, and the foreign exchange earning from export of oil products was \$1.45 billion.

Experts hold that in a foreign trade structure based on export of light industrial products, oil occupies a decisive position and, affected by the war, the crude oil which is slated for export will be used to meet domestic consumption. Moreover, the oil-related enterprises in the Zhujiang Delta, with both ends of the production process on the world market, including artificial fiber, plastic material and products, textiles, and so on, will sustain a blow. It is roughly estimated that over 20 percent of enterprises engaging in "three forms of import processing and compensation trade" and township and town enterprises will be affected.

As the saying goes, "a loss may turn out to be a gain." Liao Jianxiang, research fellow at the Guangdong Academy of Social Sciences, holds that, since each oil crisis has invariably happened in such unstable areas as the Middle East, the Gulf war has forced Western oil companies to look for new suppliers where the political situations are relatively stable. This has undoubtedly created a new opportunity for China to speed up its oil exploitation.

China's oil resources are chiefly distributed in the Songliao Basin and Bo Hai Basin in the northeastern part. In recent years, six new oil areas have been discovered in Xinjiang's Junggar Basin, Jilin's Chaluhe, the southern part of Dagang's Kongdian, Nanbao area in southeastern Hebei, Erlian in Inner Mongolia, and Cuansikule area in Qinghai. A big oil field has also been discovered in Shaanxi's Ansai. The oil reserves in these areas exceed 3 billion tonnes. Moreover, a major oil gas reserve has also been discovered in the Tarim Basin which, as people in the international oil circles have predicted, may turn into a second "Gulf." In view of the deteriorating situation in the Gulf, the Chinese Government has worked out a development orientation of "stabilizing oil output in the east and concentrating on developing oil fields in the west." To solve the problems of funding and technology for the development of new oil fields and draw support from Western countries, more flexible policies will probably be adopted.

Zhou Weiping, executive deputy president of the national Hong Kong and Macao Economic Research Center, also indicated that falling oil prices are only a temporary phenomenon. With the continuation and escalation of the Gulf war, it is believed that people in the Western oil circles are sure to reassess the value of China's offshore oil prospecting.

Offshore Oil Fields Go Into Production One After Another

In recent years, foreign oil companies have taken a somewhat quiet attitude toward this because of the

drastic fall in oil prices. The cost of prospecting and exploiting offshore oil is very expensive. According to common calculations, an oil well costs about \$10 million and oil costs about \$15 per barrel. Given the slumping oil prices, it is unavoidable that foreign businessmen should flinch.

Naturally, it is still premature to say that foreign oil companies take a great interest in the exploitation of China's offshore oil; however, it is an appropriate time to work out a feasible investment strategy on a long-term basis. At present, China's offshore oil output accounts for only 0.5 percent of its total. In the next five years, nine new offshore oil and gas fields will go into operation in China, with the highest annual output probably reaching 6 million tonnes. Six of the oil and gas fields are developed by Sino-foreign joint ventures. In particular, with the reserves of the three newly discovered major oil fields exceeding 700 million barrels each, people generally have a bullish view of their development prospects.

The completion and commissioning of the 21/i oil field in Huizhou some time ago indicates that China has its first offshore commercial oil field with an annual output of 1 million tonnes. Moreover, the drilling of 20 development and production wells at the 26/i oil field in Huizhou has been completed, and they are expected to go into production in the fourth quarter of this year. According to experts, the output of China's offshore oil will reach over 20 percent of the total output by 1995.

More Oil Can Be Supplied to Hong Kong and Taiwan

The experts attending the meeting especially mentioned the question of increasing mainland oil export to Hong Kong and Taiwan to ease the shortage of raw materials. He Guisheng, director of Jinan University's Research Institute of Economics in Special Economic Zones, Hong Kong, and Macao, said: Taiwan chiefly relies on Middle East oil for its oil refineries. Although 70 percent of Hong Kong oil comes from Singapore, over 40 percent of Singapore oil is imported from the Middle East. If Singapore is affected, Hong Kong will certainly be affected.

He said: During the two world oil crises in 1974 and 1980, support from the mainland helped ease the shortage of raw materials in Hong Kong. We can thus see that, given the shocks of the Gulf war, it is necessary to raise the capabilities of Hong Kong and Taiwan to deal with contingencies, and increasing the "mainland factor" or "northern factor" looks even more important.

China has planned to progressively increase its crude oil output by three percent annually to reach 200 million tonnes by the year 2000. The output of natural gas will be raised to 25 billion cubic meters. This means that China will be able to export more oil to Hong Kong and Taiwan. If we can reach a common understanding at the difficult moment and make a new joint effort, it will greatly help reduce the war's negative effect and thus promote the "one country, two systems," and there will also be hope for the reunification of the motherland.

Part Five

*HK3101042391 Hong Kong TA KUNG PAO in Chinese
24 Jan 91 p 6*

["Special dispatch" by staff reporter Huang Shao Li (7806 1421 4589): "Fifth and Last Part of Report on Guangzhou Experts' View on Effect of Gulf War on World Economy"]

[Text] Guangzhou, 23 Jan (TA KUNG PAO)—The likelihood of a protracted Gulf war will undoubtedly broaden the impact of the war on the world economy. In an exclusive discussion of this issue recently, the economists here pointed out that the war will in particular bring about far-reaching effects on the oil-producing as well as oil-dependent countries of Southeast Asia.

Many members of Guangzhou's intellectual circle maintained that if Iraq were to be rewarded for its aggression and were to hold control of the Middle East, this vital region to the world economy, then new tension would arise in the world situation. However, the attack on Iraq by the multinational forces led by the United States in recent days does not appear to give one cause for optimism. On this, some scholars of higher institutes of learning here engaged in the study of Southeast Asian economies believe that the war would have varying degrees of effect on Asia, especially the ASEAN countries.

Chen Qiaozhi, director of the School of Southeast Asian Studies at Jinan University, said that the first beneficiaries of the Persian Gulf war were the oil-producing countries of ASEAN. These countries, including Indonesia, Malaysia, and Brunei have the capability to increase oil production before the end of the war and to sell it at high prices.

He stated that before launching its "Fifth Five-Year Plan", Indonesia basically depended on its petroleum to earn foreign exchange, and only switched to nonpetroleum production industries later. With the opportunity to make money now, it will again increase the production and export of oil. The same applies for Brunei.

"But Thailand, the Philippines, and Singapore are suffering." This expert noted that these countries primarily rely on oil imports from the Middle East. Hence, their economies will be vastly affected, especially the oil refinery industry.

Hike in Oil Prices Deals a Blow to the Economy

Among the above-mentioned states, the situation in the Philippines is the most alarming. Reports indicate that this country had originally predicted this year's economic growth rate at 3.5 percent. But it now believes that the growth rate may decline to 2.5 percent.

Citing information, Chen Qiaozhi said: "In recent days, the Philippine president has been fretting and worrying

over this and has convened all kinds of meetings to discuss measures to deal with the effects of the Gulf crisis."

To a certain extent, the tension over oil supply may be eased in Thailand, which in recent years has devoted much efforts to the development of natural gas production. But the experts contended that as Thailand's economy has been overheated in recent years, the insufficient supply of energy has necessitated large oil imports. Therefore, its economy will also be affected by the rise in oil prices. Singapore also suffers from the same fate where "fire at the main gate means no water for the fishpond".

The Prospects of Foreign Trade Are Hard To Predict

Some oil-producing countries in ASEAN are also labor-exporting states, with massive labor export to the Middle East. For instance, Thailand has some 80,000 workers in the Middle East while the Philippines has 120,000. Labor export has become a major source of foreign exchange revenues for these two countries. Now that the Gulf war has cut off this source of income, this is just one more item to the tally of their economic losses. Meanwhile, Vietnam has 200,000 workers in the Middle East. One can only imagine the blows to its economy.

"Looking at the short-term period, this sums up roughly the effect of the Gulf war on Southeast Asia. Even though the oil-producing countries like Indonesia and Brunei will reap some temporary benefits, it is hard to say whether these benefits will make up for the losses." Chen Qiaozhi said that the adverse effects of a prolonged war on the economies of the Asia-Pacific region and of a sluggish market will affect Indonesia's nonoil exports to the region. Hence, Indonesia's foreign trade will not make any gains.

But the situation in the Middle East did not make this expert pessimistic. He said: "As far as investments are concerned, the Middle East is no longer a hot spot. The four little dragons of Asia which are carrying out market diversification could intensify their investments in the mainland."

Experts View Possible Consequences of Gulf War

*HK3101051391 Hong Kong TA KUNG PAO in Chinese
31 Jan 91 p 2*

["Newsletter from Beijing" by staff reporter Kung Shuang Yin (7255 7175 0603): "Chinese Experts on Gulf War Situation"]

[Text] Beijing, 30 Jan (TA KUNG PAO)—

A Result of Imbalance in the World Pattern

Since the outbreak of the Gulf war, many scholars on the mainland have closely watched the development of the situation and made various predictions on the future

situation of the war. Recently, this reporter talked to some of the scholars and summarized their points of view.

Some scholars thought that since 1989, the world pattern has experienced important changes. The old bipolar pattern has been broken, but has not ended; the new multipolar pattern is rapidly taking shape, but has not completely taken shape. The change in this strategic pattern means a long transition period. In the future multipolar world, U.S.-Soviet relations will change from confrontation to cooperation, and military confrontation between the East and the West will ease. The imbalance in the world pattern enables various conflicts to surface. Iraq seeks hegemony in the Middle East region, and this makes the United States very uncomfortable. The Gulf war further revealed the strategic value of oil, the strategic significance of the Middle East, and the complexity of various conflicts within the Arab world.

China's stance toward the Gulf war is clear; it urged the two belligerent parties to exercise restraint, stop fighting as soon as possible, and look for a peaceful solution, but this is only a subjective wish. Now that the war has broken out, it does not resemble a quick war as the Americans wished, but is developing in the direction of a protracted war. This will be a disaster for mankind. No matter how the war ends, the Middle East will continue to be turbulent.

Experts thought that if the Gulf war develops in a way in which the Americans want to see, and Iraq's powerful military machine is destroyed, then the Middle East and the Gulf will experience a new imbalance: Iran will rise; the Israeli-Arab conflict will ascend to the first position; some Arab countries will increase their military muscle during the current crisis, and Israel will step up efforts to increase arms, triggering a new round of an arms race.

Allied forces have already bombed Iraq for more than 10 days, and judging from Iraq's response, it seems quite clear that the United States has not attained its original goals. Many countries, especially Islamic countries, are carrying out activities in the hope of securing a peaceful solution. According to experts, if the Gulf crisis is solved peacefully, then Iraq's military strength will be preserved and Iraq's reputation within the Arab world will increase tremendously. It will still be a strong military power in the region, posing a serious threat to Israel, Iran, and other Arab countries. The conflict within Arab countries will not be solved, but will intensify.

To conclude, whether the Gulf war ends with the defeat of Iraq or a peaceful solution, the Middle East will not have long-lasting peace.

Israel Reaps Profits Without Working

Some experts thought that the current Gulf war enables Israel to reap profits without working: The Arab world is divided and cannot be united to deal with it; Iraq will probably decline and will no longer constitute a threat to

it; Palestine will probably hurt its own image by supporting Iraq; and the once-strained U.S.-Israeli tension will be eased, for Israel has exercised restraint in the Gulf war because it is restricted by the United States and because it worries about opposition from the Arab world. Israel worries that if the Gulf war is ended peacefully, Iraq will preserve its military muscle and constitute a threat to Israel; some Arab countries which have been antagonistic toward Israel will acquire many advanced military technologies from the West during the war, and after the crisis is over, they might use them to deal with Israel, and this makes its security more vulnerable. Moreover, Israel worries that the United States might acquire more Arab allies from the current Gulf war, jeopardizing the Israeli position as a strategic partner to the United States.

Of course, Israel also worries that Iraq will force it into war, and if that happens, Israel's future will be more difficult to predict.

Editorial Sees Opportunity for Foreign Investments

*HK3101111191 Hong Kong WEN WEI PO in Chinese
28 Jan 91 p 2*

[Editorial: "Favorable Opportunity for Foreign Investments in China"]

[Text] The drastic changes in international politics and the strategic situation in the past two years have reached a climax with the eruption of the Gulf war. As a key position of the world oil outlet, the Persian Gulf is bogged down in unprecedentedly tragic and raging flames of war. The development of the Gulf situation is so changeable that it is difficult to predict, but, whatever its outcome, this big war has affected and will further affect the world situation in the 1990's.

A very important reason why the United States has been able to "act on behalf of God" under the name of executing UN Security Council resolutions and go on a massive punitive expedition against Iraq is that the Soviet Union's strength as a superpower has been shrinking in various parts of the world, including the Persian Gulf and, out of the needs of its own internal affairs, has been coordinating to a certain degree with the U.S. strategic action in the Gulf. During the cold war period, the Middle East was one of the principal regions of Soviet-U.S. contention and confrontation. In those days, the United States could not directly dispatch troops to attack an Arab country (the military action in Lebanon was small in scale and short in duration), because she was pinned down by the Soviet Union.

In recent years, the Soviet Union has substantially contracted its forces from abroad. There are profound internal causes for this—that is, its economic growth has come to a standstill and has lacked vitality. If reform is not effected, it will inevitably lag behind in competition with the United States. After taking up the post of CPSU

general secretary, Gorbachev pursued the "New Thinking," effecting major changes in Soviet internal and foreign affairs and bringing about drastic changes in Eastern Europe.

For a time, the changes in the political situation of the Soviet Union and Eastern Europe caused international investors to look forward to investment in these regions. Japan and the "four small dragons" in East Asia were also eager to have a try in the Soviet Union and Eastern Europe. Some commentators even estimated that large amounts of international capital will flow into the Soviet Union and Eastern Europe, that dazzling economic growth will appear in these regions in the 1990's, and that changes in the direction of such capital flow will affect foreign businessmen's investment in China.

Surely, after the 4 June incident, Beijing repeatedly reiterated that the policy of reform and opening up would remain unchanged; however, because of the Western economic sanctions against China and the changes in Eastern Europe and the Soviet Union as anticipated by the West, foreign investment into China has been affected to a certain extent. Viewed from the international environment at that time, this is not at all surprising. China's way of dealing with such a situation was, first, to adhere to principle without yielding to external pressure and second, to uphold reform and opening up, stabilize the political situation, and do a good job in economic construction. The development of the international situation since the autumn and winter of 1989, and even the eruption of the Gulf war, have testified to the correctness of China's countermeasures. Now that the Soviet Union's political situation is unstable, there is no way of talking about reform in economic structure, and nobody believes the theory of "establishing a market economy in 500 days." To everyone's surprise, the Soviet Union, a world power, has to beg the West to airlift food and articles for people's livelihood to deal with the emergencies. Political power has changed hands in all East European countries without bringing any economic improvement. They are spending the "coldest winter" in difficulty and hardship. This harsh reality has forced practical-minded investors to flinch and reevaluate the investment prospects.

At the same time, however, China, with its 1.1 billion people, is again attracting the attention of foreign businessmen due to its political and social stability and the favorable momentum of its economic development. In fact, foreign funds in China mainly come from the United States, Japan, and Hong Kong. In recent years, there has also been a rapid increase of funds from Taiwan; the European Community has also been achieving steady development in investment to China. Recently, introduction of foreign funds into China has shown signs of a new trend—namely, Sino-foreign joint ventures in major industrial projects. In the oil industry, there is the exploration of South Sea oil by a Sino-U.S. joint venture. In the automobile industry, there is the cooperation between the Second Automobile Manufacturing Plant and the French capital, as well as the

construction of the Panda Automobile City in Guangdong's Huiyang. In infrastructure, there is the participation of foreign funds in the construction of Shanghai and Guangzhou subways.

At present, China is formulating development programs for the 1990's and the Eighth Five-Year Plan. In the coming decade, China will develop its economy in a down-to-earth way and open wider to the outside world. This has provided numerous opportunities for foreign investments in China. The other day, Premier Li Peng told visiting French entrepreneurs that China has preliminarily decided to build or expand 14 petrochemical projects during the Eighth Five-Year Plan period. Li Peng said that entrepreneurs from various countries are welcome to come to China to participate in competition and provide technology.

Naturally, investors expect to get reasonable profits. China has accumulated over 10 years of experience in reform and opening up and is well known for its political and economic stability and rich energy and human resources. Unlike the Soviet Union which requests aid from the West, China creates favorable investment environment for foreign businessmen to enable both Chinese and foreign parties to benefit each other. In the face of constant changes in the current international events, this all the more shows China's stability and reliability as an investment place.

Adviser Urges Capital Flow to Developing Countries

OW3001135691 Beijing XINHUA in English
1334 GMT 30 Jan 91

[Text] Jomtien, Thailand, January 30 (XINHUA)—The developed countries with huge capital surpluses should take effective measures to increase capital flows into the developing countries and to ensure adequate capital support to their sustained economic growth.

This suggestion was made here today by Chen Lushi, adviser to the Foreign Affairs Committee of the Chinese National People's Congress, at the third-day meeting of the inter-parliamentary conference which discussed the issue of investment, technology transfer and technical cooperation.

In the Asia-Pacific region, "industrial economies should take into account the development plans and the objectives and priorities of the developing countries while relocating some of their industrial capacities," he said.

The international investment can help expand production and trade and promote global economic growth only when it is based on the principle of equality and mutual benefit, he said, adding that "any measure regarding investment should take account of the interests of both the investors and host countries".

Some countries have advocated that multilateral rules should be formulated to restrict the so-called trade-distorting investment measures, and this issue needs to

be dealt with in a comprehensive way, he said. Otherwise, it will have an adverse impact on the incentive policy to promote investment, he added.

For direct foreign investment, it should also aim at encouraging the transfer of technology and at upgrading products and it is necessary to promote effective regional and subregional cooperation to accelerate technology transfer to the developing countries to strengthen their self-reliance in the fields of industrial and agricultural production, transport, services, telecommunication and environmental protection.

Under the sharp competition in the markets, the developing countries in this region are confronted with the arduous task to accelerate the development in tertiary industry and to strengthen their services export, he said.

In response to the unstable world economic situation and the low growth rate, it is very important for the promotion of regional economy and trade to strengthen regional cooperation in trade in goods and services and to improve conditions for competition by strengthening facilities and cooperation in such tertiary industries as marine transport, civil aviation, telecommunication, banking, insurance, tourism and labor projects.

In order to gain positive results, international multilateral cooperation must clearly define its scope, set out practical objectives and follow the principle of mutual benefit, he noted.

Chen also said that China would like to strengthen economic cooperation in the region and to transfer production technology.

Article Views World Strategic Pattern

HK3001155191 Beijing JIEFANGJUN BAO in Chinese
4 Jan 91 p 3

[Article by Chen Feng (7115 6912) and Chen Xiaogong (7115 1420 0501): "The World Is in the Transition Period of a New Strategic Pattern Replacing the Old"]

[Text] A series of major world events occurred recently. For example: rapid changes in the political situation in Eastern Europe; economic, political, and ethnic crises in the Soviet Union; German reunification; and the sudden outbreak of the Gulf crisis. Various changes in the international situation indicate that the world is in the transition period of a new strategic pattern replacing the old. The Yalta system, with the United States and the Soviet Union on two poles, has disintegrated but has not completely ended. On the other hand, a new multipolar pattern, which has various centers of forces as its basic structure, has been developing rapidly but has not taken its final shape.

Several Changes in World Pattern in the Modern Age

World strategic pattern refers to the structural state of the relations among major forces or centers of forces in the world. The change in this pattern is a result of the

qualitative change caused by the continuous changes in the world situation. It is different from the changes in the international situation in the general sense and characterized by a longer period of time and more stability.

The modern world was centered on Europe. Therefore, the several world strategic patterns in the modern age all developed on the basis of the structure of relations among the major forces in Europe or between Europe and America. During the past 200 years the world strategic pattern has experienced four major changes.

The first world pattern in the 19th century was established by the Vienna Conference after the defeat of Napoleon. At that time Russia, Austria, Prussia, and Britain, the countries who had won the war, spent a lengthy period of time bargaining and eventually carved out their spheres of influence in Europe, establishing the world pattern centered on Europe. The Vienna pattern lasted for 40 to 50 years.

In the 1860's and 1870's, a series of major world events occurred: In the United States, after the civil war, capitalism developed rapidly and the country increased its strength greatly; in Japan, the Meiji Restoration was launched, clearing the way for the development of capitalism; in Italy, revolution brought about unification; and Germany attained unification in 1870 and won the Franco-Prussian War in 1871. These events broke the original proportions and distribution of strength, changed the state of the original pattern of confining itself only to Europe, and formed a new strategic pattern which was really of world significance. It was still centered on Europe but power distribution spread to North America and Asia. This pattern also lasted for 40 to 50 years.

World War I, fought from 1914 to 1918, completely broke the world pattern formed in 1871. When the war was over, at the Paris Peace Conference of 1919, the strong powers, such as the United States, Britain, France, Italy, and Japan, redivided the world and established a world pattern based on the Versailles System. At the same time, the October Revolution led by Lenin in the Soviet Union established the world's first socialist country, broke the pattern whereby imperialism ruled the whole world, and enabled this world pattern to show new features which were different from the previous ones. The Versailles pattern lasted for a relatively short time; after 20 years, it was broken by World War II.

The foundation of the fourth world strategic pattern in modern history was laid at the Yalta Summit between the United States, Britain, and the Soviet Union in February 1945, at the end of World War II. The meeting carved out the spheres of influence in Europe and Asia for the United States and the Soviet Union. Eastern Europe was enlisted into the Soviet Union's sphere of influence; Western Europe, into the United States' sphere of influence. Germany was divided and occupied by the Soviet Union, the United States, Britain, and France; thereafter, it developed into East Germany and

West Germany. In Asia, the Soviet Union recognized the U.S. control over Japan and its interest in China, while the United States satisfied the Soviet Union's wishes to regain Sakhalin Island, enable Outer Mongolia to become independent, and enlist northeast China into the Soviet sphere of influence. Due to the fact that in Asia, Africa, and Latin America, many areas had been colonies, semi-colonies, and dependent nations of Western imperialism before the war, the United States and Britain naturally considered them as their own spheres of influence and these areas were not mentioned at the meeting. Because of the decline of British strength and the influence from other factors of international relations, the world in reality became a Yalta pattern with the United States and the Soviet Union as two poles.

Multipolar Development and Changes in Current Pattern

Since the conclusion of World War II, the world pattern has been gradually changing. The founding of the PRC at the end of the 1940's delivered the first heavy blow to the Yalta pattern. In the 1960's, the Third World entered the world's arena as a unified force and, from the 1960's to 1970's, Japan and Western Europe were resurgent, causing the world to develop in a multipolar direction. In 1971, U.S. President Nixon put forward the idea that the world has five major force centers: These are, the United States, Western Europe, the Soviet Union, China, and Japan; however, up to the autumn of 1989, when Eastern Europe's situation changed rapidly, the world always maintained a basic pattern of the United States versus the Soviet Union.

Rapid changes in Eastern Europe began and the speed of evolution of the world strategic pattern increased. By January 1991, when the CSCE summit declared "the end of cold war," the Yalta pattern, which had lasted for 40 years since the war, had basically disintegrated.

The main fact indicating the basic disintegration of the old pattern is that the core portion of the Yalta Agreement—the United States and the Soviet Union dividing Europe and splitting Germany in two—has basically changed: The Warsaw Pact exists only in name; Germany has attained reunification; the relations between the East and the West, represented by the Soviet Union and the United States, have obviously improved and military confrontation has eased greatly; and one of the two poles, the Soviet Union, faces serious economic, political, and social crises, and its influence and functions have decreased markedly. Currently, however, we cannot say that the old pattern has completely collapsed because talks on reduction of strategic nuclear weapons between the United States and the Soviet Union, and talks on reduction of regular arms in Europe between NATO and the Warsaw Pact, are still at the first stage. The process of eliminating the structure of military confrontation formed during the long period of cold war has not come to an end. In addition, the "eastern portion" of the Yalta system—the military confrontation between the United States and the Soviet Union in

northeast Asia—has not changed much, while the dispute over the territory in the north between the Soviet Union and Japan, and the problem of separation of the Korean Peninsula, have not been solved.

When the old pattern disintegrates, development of the new pattern speeds up. Since the 1970's, the multipolar trend in the world has become more visible. The Soviet Union's status and strength have greatly decreased; the United States has started to go downward when judged from its overall strength and its ability to influence and control world affairs has not been as strong as before; Germany and Japan have risen and broken the world economic hegemony which was once owned by the United States and it is obvious that they will some day challenge U.S. political hegemony; and China is comparatively weak in economic strength but has great potential for development and its status and function in international political affairs cannot be ignored. In addition, some regional big powers are actively seeking development and their influence is growing daily. Of course, the new pattern needs time to take complete shape. Although the five major centers of force—the United States, the Soviet Union, China, Europe, and Japan—and some regional centers of forces already exist for the future pattern, various forces continue to divide and integrate and relations between them are still evolving and being readjusted. Moreover, in the past, an alternation in strategic pattern was always completed by a big war, whereas this time it is being carried out by ways other than war. Therefore, it will need a longer transition period.

The Basic Trend in the International Situation During the Transition Period in Which the New Pattern Replaces the Old

The world's situation and the trend in such situation are, in the final analysis, determined by the basic conflict in the world. In the mid-1980's, Comrade Deng Xiaoping put forward the idea that "the basic problem in the contemporary world is a problem of East, West, South, and North." "East, West, South, and North" summarizes several major conflicts in the world: East-West conflict, including the conflict between the United States and the Soviet Union, and the conflict between socialism and capitalism; West-West conflict, mainly between the developed capitalist countries in the West; South-North conflict, mainly between developing countries and the developed countries; South-South conflict—that is, the differences between Third World countries—their conflicts, and problems. Although there have been many changes in the situation during the transition period of the new pattern, and various conflicts are very complicated, the most basic thing involves these four major conflicts, the only difference is that some aspects are either easing up or becoming more acute.

During the transition period, while the new pattern emerges, the overall global military and security situation will continue to ease and political struggle and economic competition will become acute. Here, political struggle

includes not only that between different social ideologies and values, but also the struggle among various centers of forces in the world and various political forces within various countries. Economic competition will begin at several levels: Competition for a leading position in the world economy among the super economic groups and big and developed Western powers; competition between capitalist countries and socialist countries; competition between socialist countries and "democratic socialist" countries; and competition among the developing countries concerning the speed of economic development and limited development opportunities (including funds, technology, trade, and international aid). Amid all these, the large and developed Western countries and the struggle for the leading position in world economic hegemony mainly participated by them, will determine the future of the world economic pattern. At the same time, an absolute majority of countries in the world will continue to pay attention to developing comprehensive national strength based on economy and technology. Peace and advancement will still be two major topics promoting the development of the world situation.

On the other hand, many destabilizing factors still exist during the transition period and it is hard to avoid local disturbances and wars. Various kinds of undefined factors are worthy of our attention. What are the prospects for the political and economic reforms in the Soviet Union? Which road will Japan and the unified Germany choose? Can the developing countries facing economic recession or stagnation overcome their difficulties? What is the impact on the world's situation brought about by the rise of some regional big powers? Can Eastern Europe successfully change to new economic and political systems? What will be the conclusion of the Gulf crisis? These undefined and hard-to-predict factors undoubtedly have an important impact on the future world strategic pattern.

The Situation of Military Struggle Will Still Be Very Grim During the Transition Period

In the world military domain, the easing up will continue to develop. The United States and the Soviet Union, and the East and West, will make progress in talks on arms reduction and the level of military confrontation among big powers will further drop. Judging from the major trend, it becomes less likely that a world war will erupt.

The following facts should never be ignored, however:

The major countries in the world, especially the United States and the Soviet Union, have not cut their efforts in armament. Conversely, the struggle for quality and technological superiority in arms is still very acute. U.S. military expenditure in the new fiscal year will reach \$300 billion, one-third of world total military expenditure. The Soviet Union Government announced that military expenditure would be \$100 billion. In reality, it will be much higher. In Japan, Britain, France, and Germany, military expenditure exceeded \$30 billion

each, ranking them in the front positions in the world. At present, the major countries in the world all stress the construction of quality military; they make efforts to upgrade the ability for strategic deterrent, in controlling the ocean, and in quick response, and they are further strengthening hi-tech development and research on high quality precision weapons.

Because of the weakening of the Soviet Union's status and influence, U.S.-Soviet military strength is now inclining in favor of the United States. Many people think that the United States is now the only superpower which can deploy large-scale military strength around the globe. Although the Soviet Union is still a big power with global influence, and although its huge "military hardware" still exists, because of the decrease in the centripetal force in the country and within the army, and because of the downfall of "military software" including political will, it is no longer a global superpower which can match the United States. Under this condition, it is likely that new U.S. power politics and an interventionist trend will develop.

New military technology, such as the development of guided weapons, precisely guided weapons, smart weapons, and space weapons, might enable Japan and Germany to get around the world's restriction on their development of nuclear capability and allow them to jump over the nuclear hurdle and acquire strategic deterrent ability through developing smart and nonnuclear weapons deployed in space. If this situation occurs, the proportion of military strength in the world will become seriously unbalanced and it will inevitably bring some complicated factors to the military situation in the whole world.

Because of technological advancement in the whole world—including medium and small countries, many countries have already grasped the technology for developing nuclear weapons and crossed the doorstep of nuclear strength—many countries have revealed the political will to possess nuclear weapons. The trend of proliferation of hi-tech weapons, especially nuclear and chemical weapons, might develop into a new and serious problem affecting world and regional stability.

Because of the speeding up of the trend of multipolar development in the world, U.S. and Soviet ability to influence and control the world's affairs decreases correspondingly, while the two countries also retreat militarily in varying degrees in the world. This provides an opportunity for the medium countries or regional big powers to expand their own political and military influence. The possibility that these countries will develop military strength and use it against foreign countries might increase. In fact, in some regions, the trend toward an arms race is intensifying.

Ethnic problems, religious problems, and the struggle for territory and resources are becoming more pronounced. In particular, ethnic problems and religious problems are

often mingled and have become a global problem seriously affecting world peace and stability. These problems will continue to exist in the Third World regions such as Asia, Africa, and Latin America, and have already spread to the Soviet Union and Eastern Europe.

Because of the existence of the above-mentioned destabilizing factors, the situation of military struggle in the world during the transition period of a new pattern replacing the old, will still be very grim. At present, the trend of the idea on military strategy in some countries can provide some hints for understanding the status of the military problem within world politics.

The United States thinks that in the 1990's "there are still undefined factors," that the situation will still be "very turbulent," and that "a new threat surpassing the confrontation between the East and the West in the past 45 years" is emerging. The United States continues to face not only the threat from the Soviet Union, but also from the new regional powers; it faces not only the very real threat of low-level conflict, but also the threat of mid-level or high-level conflict in some areas; it faces not only the threat of regular weapons, but also the threat of further spread of nuclear, biological, and guided weapons; and it faces not only the threat of regional arms races, but also the threat of further intensifying riot, drugs, smuggling, and terrorist activities. Therefore, it must pay more attention to the region of frequent local wars—the Third World region—and "should not hastily amend overall U.S. military strategy, adjust the structure of military strength, and give up the plan for modernizing arms."

The Soviet military thinks that the process of easing up does not have an irreversible nature and that the danger of war still exists in the world. The Soviet Union must prudently assess the situation and soberly understand the nature of the military threat it will face, as well as maintain "reasonably adequate" military strength capable of resisting aggression.

Japan thinks that in this century, Japan's security situation will not be basically improved and that it still faces a military threat and serious competitors. Therefore, Japan will continue to beef up military strength and improve weapons and equipment.

India thinks that "although the whole international security situation has experienced a basic change, there are still many hidden unsafe factors and India's security situation in the 1990's is still very grim." Therefore, it will continue to improve overall military strength and strategic deterrent strength.

Many Third World countries are small in size and weak in strength. Therefore they generally have a grimmer outlook on the situation. Singapore's deputy prime minister, who is also the defense minister, said openly soon after the Gulf crisis erupted that although relations between the East and the West have eased, a country, no matter rich or poor, big or small, should pay attention to and develop national defense strength, cultivate national

concept, step up education on national defense, and improve its national defense system.

Here, it is not difficult for us to see that for a certain period to come, various countries will still have grave concerns about military problem; they will see military strength as an important component part of comprehensive national strength; and view the use of military strength as an important means to support their international status and safeguard their national interest. They will further beef up military strength, not reduce it; however, they will pay attention to quality rather than quantity and this point is beyond doubt.

Basic Features of New World Strategic Pattern

The new world pattern is a product of evolution from the old pattern; although it has not taken final shape, the development of multipolar trend in recent years points to some of its basic features.

First, the new pattern will have its structure based on the five major centers of forces, the United States, the Soviet Union, China, Japan, and Germany, and some other regional big powers. The relations among the five major centers of forces and regional big powers will not be clearly defined or fixed and unchanging; various centers of forces will have room for carrying out complicated diplomatic activities.

Second, in the new pattern, relations between poles are not necessarily confrontational in nature, but the basic conflict will continue to exist and competition might even be fiercer, developing into possible conflict.

Third, in the past world pattern, Europe always occupied the central position but in the future, this situation will change gradually. The Asia-Pacific region will occupy an increasingly important position and might become another center in parallel with Europe. At the same time, the Middle East, Latin America, and Africa will become important component parts in the world pattern.

Fourth, the basic situation of the old pattern largely relied on military strength for its existence. In the new pattern, the race for comprehensive national strength based on economy and technology will play a leading role. Particularly during the next decade, the world's technological revolution will make important breakthroughs in many important aspects. The world is on the eve of a new industrial revolution and the result will determine the basic features of the future world pattern. At the same time, military strength will still occupy an important position in the new pattern.

To conclude, during the transition period of a new pattern replacing the old, the focus of struggle among various international forces will be: What kind of world economic and political pattern is to be built? Should the world be built into a peaceful and stable place based on the Five Principles of Peaceful Coexistence, one which is beneficial to economic development in an absolute majority of countries? Should the world be built into one

in which several countries rely on strong military and economic strength to promote new power politics and decide everything at their discretion? This is a problem about which the whole world is concerned. China suggested the Five Principles of Peaceful Coexistence and a strong China is beneficial to world peace and stability. At present, the world is witnessing great economic, political, and military changes, and we must look at the challenge as well as the opportunity for development. The Chinese people and soldiers, who are now at a crucial historical moment, should understand their own responsibility and be united in building our country and army; work hard to enable a world pattern to develop in a direction that is beneficial to peace; and the establishment of a reasonable new world order based on the Five Principles of Peaceful Coexistence.

UN Representative Condemns Israel's Human Rights

HK3101065691 Beijing XINHUA Domestic Service
in Chinese 0202 GMT 31 Jan 91

[Report: "At UN Human Rights Session, Chinese Representative Condemned Israel's Brutal Suppression of the Palestinian People"—XINHUA headline]

[Text] Geneva, 30 Jan (XINHUA)—Today, Wang Xuexian, deputy representative of the Chinese delegation, made a speech at the 47th meeting of the UN Human Rights Committee when the issue of the violation of human rights in the occupied territories was discussed. He strongly condemned the Israeli authorities for brutally trampling the human rights of the Palestinian people, and required the Human Rights Committee to pay more attention to the destiny of the Palestinian people and join the international community in making effective an effort for restoring the legitimate rights of the Palestinian people at an earlier date.

Wang Xuexian pointed out: In order to solve the Middle East issue and restore the self-determination rights of the Palestinian people, the Arab countries and the international community have made relentless efforts. Because the Israeli authorities refuse to withdraw from the Arab territories being occupied by them and refuse to recognize the self-determination rights of the Palestinian people, the efforts of the international community for peacefully solving the Middle East issue were set back again and again.

The Chinese representative stressed: The Palestinian issue is the crux of the Middle East issue as a whole. Presently, the settlement of this issue is of greater urgency and wider significance. The key lies in the points that Israel is willing to give up its expansion policy, withdraw from the occupied Arab land, and recognize the legitimate national rights of the Palestinian people and that the Palestinian State and Israel recognize each other. This will lead to peaceful coexistence between all Middle East countries, including the Palestinian state and Israel. Therefore, it will be a feasible way to hold an international conference on the Middle East issue with

the participation of the five permanent members of the UN Security Council and all parties involved in the conflicts in that region under the sponsorship of the United Nations.

United States & Canada

Article Reviews Reasons for U.S. Timing in Gulf

HK3101094791 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 4, 28 Jan 91 p 4

[Article by Mu Guangren (4476 1639 0088): "Why Did the White House Choose 'Launching a War at an Early Date?'"]

[Text] The Gulf War that the international community had tried hard to avoid unfortunately finally broke out. People originally expected that as long as the war did not begin after 15 January, there would be a chance to seek peace. Nevertheless, just 10 or so hours after the deadline, the largest-scale and most modern war since World War II began.

Why did the White House not leave some chance for mediation for peace?

Through many channels, including the Baker-Aziz talks, the United States found out that Saddam was resolved not to withdraw the troops from Kuwait and maintained that war was unavoidable. How to launch a war? When to launch a war? Various plans for operations were placed on the desk of the president in the White House. Needless to say, the "quick battle" plan, fighting a quick battle to force a quick decision, was the optimum plan sought by the United States. The United States tried hard to avoid long, drawn-out operations. Would the war be launched at an early date or at a later date? Bush chose the plan for launching the war at an early date. There were many factors in this.

Western military experts maintained that an offensive was best launched in a desert area with defilades on a moonless night because the U.S. troops' equipment for combat at night is superior to that of the Iraqi troops. Equipped with thermal imaging night vision telescopes, the U.S. troops can see the targets of the other side without exposing themselves. As far as U.S. amphibious troops landing from the sea are concerned, it is most favorable to do so at flood tide. On the basis of these two conditions, it was predicted that the three best times for an offensive after 15 January were: 17-20 January, 16-18 February, and 17-19 March.

The generals in the Pentagon disclosed on many occasions that the U.S. troop reinforcements sent to the Gulf would not have made good preparations by 15 January and could only go into battle in the last 10 days or at the end of January; however, in March it is scorching hot in the desert, and during Ramadan a large number of Moslems go on pilgrimage to Mecca. These experts, therefore, held that

16-18 February should be the "best" time for an offensive; nevertheless, Bush chose 17 January.

From the viewpoint of the military, had 17-20 January been missed and had an offensive been launched after 20 January, the U.S. troops and multinational troops would have paid a higher price of more casualties. Had they waited until 16 February, they would have waited for one month. During that one month, a long delay would have meant many hitches making it hard to appraise the situation.

Politically, the longer the war was put off, the higher the antiwar tide and anti-U.S. tide might be. It was just in the few days when the deadline for the withdrawal of troops was approaching that the antiwar tide in the United States had emerged and the antiwar demonstrations in Europe were on a larger scale. The antiwar tide in the Arab world also showed an evident anti-U.S. nature. Had such a situation continued, the United States would have lost the favorable international conditions for launching an offensive against Iraq. In addition, the Israeli authorities stepped up the suppression of Palestinians in the occupied area and just gave negative help to the Americans. The escalation and continued development of such suppression would secretly corrode the relations between the Arab countries of the anti-Iraq alliance and the United States and arouse the international community's concern for the Palestinian problem so as to add capital to Saddam—enabling him to insist on "maintaining a link" between the Gulf crisis and the solution of the Palestinian problem. This just runs counter to the will of the United States.

The mediation activities of the European allies, with France as the representative, also constituted a certain check on the offensive launched by the United States. The United States was worried that if such mediation could not persuade Iraq to withdraw its troops, conversely, it would probably be utilized by Saddam, and the solution of the Gulf crisis would eventually be linked with the Palestinian problem. At that time, Iraq would not withdraw its troops and the United States would lose the sympathy of Western Europe and the international community for the United States' resorting to force. Furthermore, in this way, the West European countries, including France, would have more right to speak in the Gulf and even in the whole Middle East region and this, no doubt, would be a challenge to the U.S. Middle East strategy. What is more important, viewed from the global strategic viewpoint, Bush chose "launching a war at an early date" because he was eager to escape from the big whirlpool of the present Gulf crisis. Presently, the domestic situation in the Soviet Union is deteriorating and changes are unpredictable. The Lithuania incident presents a very big and difficult problem to the United States: Will the United States continue to support Gorbachev? Will it turn round and exert pressure on him? Will it both support and exert pressure on him? Which is regarded as the main task? This is a major and no trivial matter that has a bearing on the overall situation; however, the State Council, the Pentagon, and the White

House are unable to concentrate their forces to study and cope with it. In addition, there are other major matters in the world that concern the overall situation. The longer Bush rolls about in the whirlpool of the Gulf, the more passive he becomes in the overall strategic situation, and he might even lose an opportunity.

This was the background against which Bush chose launching a war at an early date.

He who strikes first gains the advantage; however, the war will not necessarily alter the logic of its own development according to the will of the White House. For example, the United States wanted to excise Iraqi counterattack forces in the first round of "surgical operations," but, in fact, it was not so easy. The United States wanted to smash the sites from which Iraq launched guided missiles at Israel, but Iraq has still launched Scud guided missiles at places including Tel Aviv, Jerusalem, and Haifa. The United States wanted to force Iraq to yield by its air superiority without a ground war, but Saddam still threatened that he would by no means surrender. On 18 January, Bush admitted that a "realistic attitude" would be adopted and that the "war would not be lightly won at a low price." Bush estimated that the war would continue for several weeks.

Although the war has been launched, the international community still has not given up efforts to seek peace, and it is striving to put an end to the war at an early date and to settle all disputes through talks.

White House Affirms No Change in Gulf Policy

OW3101112091 Beijing XINHUA in English
2046 GMT 30 Jan 91

[Text] Washington, January 30 (XINHUA)—The Bush Administration today reiterated that there would be no pause in U.S.-led multinational fighting against Iraq before a massive withdrawal of Iraqi troops from Kuwait.

White House Spokesman Marlin Fitzwater said at the daily briefing that there is a "misinterpretation" of the Baker-Bessmertnykh joint statement which some press reports said indicated softening of conditions for a cease-fire in the Gulf war.

In the statement issued last night, U.S. Secretary of State James Baker and Soviet Foreign Minister Aleksandr Bessmertnykh said that there could be "a cessation of hostilities" if Iraq made "an unequivocal commitment to withdraw from Kuwait."

Baker and Bessmertnykh also said that such a commitment "must be backed by immediate, concrete steps leading to full compliance with the (U.N.) Security Council resolutions."

Fitzwater admitted that the joint statement had not been cleared by the White House before it was released, but he said "it's a statement that reaffirms our existing policy."

"Our policy is massive withdrawal, and that's what this statement means," the White House official said.

Future U.S. Financial Difficulty Discussed

HK3001125491 Beijing RENMIN RIBAO in Chinese
29 Jan 91 p 6

[Article by staff reporter Zhang Qixin (1728 0796 2500) from Washington: "Expenditure Problem for Gulf War Remains Despite Temporary Solution"]

[Text] The Gulf war is, to the United States, a modern war devouring shocking amounts of money, which has become a heavy burden. One can conjure up the whole thing by looking at the costliness of the weapons now used on the battlefields. Each of the Air Force's F-15E airplanes costs more than \$50 million to produce; each of the Navy's "Tomahawk" cruise missile costs \$1.35 million; each of the land force's M-1A tank costs \$4.4 million; and each "Patriot" missile costs \$1.1 million. According to an estimate, each day of fighting in the Gulf costs the United States about \$1 billion. So far, the U.S. Government has not publicized its estimate of war expenses, but according to a report, the preliminary estimate shows that the three-month expenditure for the war will be \$45-50 billion. This approximates the estimate (\$17 billion per month) recently issued by the U.S. Congressional Budget Office.

It goes without saying that the war expenditure will not be the responsibility of the United States alone. While fighting the war, the United States has been going about persuading relevant countries to share the expenses. Up until now, Kuwait and Saudi Arabia have decided to each contribute \$13.5 billion; Japan has offered an additional \$9 billion; Germany has also said that it will give around \$3 billion. These contributions, on top of the 20 percent, about \$9 billion, covered by the United States itself, will see the war through the first three months.

If the war is prolonged, a bigger amount will become more and more of a problem that will trouble the U.S. authorities from the inside and the outside.

This has become a controversial topic in U.S. political and economic circles. There are, to sum up, no more than two ways of raising funds for the war—i.e., either to increase taxes and shift the burden to the common people, or to raise government loans and magnify the financial deficit. With the current unstable popular mood in the United States, the former is obviously very risky and difficult to push through, but the latter will become a heavy burden on the financial circles. The United States now has a nearly \$300 billion deficit each year. Any extra expenditure for war will worsen its financial situation, and will also give a telling blow to the agreement on reduction of budgetary deficit that the

White House and Congress concluded only last year. Bowsher, comptroller general of the U.S. Congress General Accounting Office, said on 23 January that the money that this agreement originally planned to save might be devoured by Operation "Desert Storm" at one stroke.

Fitzwater Notes Differences Over START

OW3101111891 Beijing XINHUA in English
2223 GMT 30 Jan 91

[Text] Washington, January 30 (XINHUA)—White House Spokesman Marlin Fitzwater said today that some of the differences with the Soviet Union over the Strategic Arms Reduction Treaty (START) are something that the United States did not expect.

"There have been areas where we thought we were closer than we've turned out to be," Fitzwater said at a press briefing.

He said he is not entirely clear the reasons for the problems, but the conclusion of the Soviets' renegeing on some agreements "is correct."

The START issues is one of the two reasons cited by the two countries for a postponement of the planned Moscow summit on February 11-13. Both sides said that additional work is needed for negotiating the treaty because of some problems unsettled.

The problems include how intensively they will monitor each other's solid fuel and missile assembly plants, how much information from missile flight tests is to be exchanged, and a Soviet demand to inspect U.S. B-2 plants.

Fitzwater said Soviet Foreign Minister Aleksandr Bessmertnykh, who had talks with President George Bush and Secretary of State James Baker over the last few days, has made commitments concluding the START talks in February as scheduled.

"We are indeed hopeful," he added.

Soviet Union

Yuan Mu Interviewed on Socialist Reform

HK3001105191 Beijing JINGJI CANKAO BAO
in Chinese 8 Jan 91 p 1

[Interview with Yuan Mu, spokesman of the State Council, by a three-person delegation led by (Suofucuo) (suo fu cuo fu 4792 1133 2238 1133), first deputy editor in chief of the Soviet newspaper TRUD, at 1900 on 24 December 1990; place not given—"Yuan Mu Interviewed by Delegation From Soviet Newspaper TRUD, Speaking on China's Socialist Reform"—first paragraph is editor's note]

[Text] The Soviet paper TRUD is a big newspaper of the Soviet Union, publishing more than 17 million copies a

day and having great influence both at home and abroad. According to the questions raised by the reporters, Comrade Yuan Mu talked about his views on China's socialist reform in a frank and friendly manner and briefed them on China's situation of reform.

The Socialist Orientation Should Be Adhered to in Reform

[Reporter] As everyone knows, our country, the Soviet Union, has encountered many contradictions in our reforms in the political, economic, and social fields and is undergoing a very complicated and difficult historical stage. We believe that our reforms must advance along a track—that is, the choice of socialism. Of course, China and the Soviet Union have different characteristics. Both countries once advanced shoulder to shoulder on the same track, but there were also twists and turns. We hope that there will not be twists and turns in the future. Now Comrade Yuan Mu, would you please say something about the situation of our country as far as you have learned it?

[Yuan Mu] We acquire information about the reform situation of your country mainly through the channel of news reports. We hope that the current complicated and difficult stage in your country will end as early as possible and that the Soviet Union will tide over the difficulties on the road of socialist reforms. Just as you have just said, socialist reform is very arduous and complicated. It must choose a correct course. According to our understanding, this course must conform to the principle of combining Marxism-Leninism with the concrete national situation. We must always, now and in the future, adhere to the basic principle of scientific socialism, which has been repeatedly expounded by Marxism-Leninism. We must not be bound up by certain theories of the founders of Marxism-Leninism. Instead, we must combine the basic principles of Marxism-Leninism with the concrete situation of our country and our times. Regarding the road of revolution, successes have been achieved in the Chinese revolution under the guidance of the universal truth of Marxism-Leninism. In light of China's realities, we have chosen a road that is suitable for our national situation. The success of the Soviet revolution was achieved through armed insurrections in the cities, but we followed the road of encircling the cities from the rural areas and then seizing state power. In the revolutionary course, some comrades in our party also advocated and tried to mechanically copy the Soviet pattern, but they all failed. After conscientiously summing up our experiences and lessons, Comrade Mao Zedong and his comrades-in-arms corrected those mistakes in the party's line. Currently, when carrying out reforms, we must also proceed from our national situation.

In April 1990, I went to Moscow with Premier Li Peng. That visit impressed on me that the Soviet people had achieved great successes in their construction over the past more than 70 years since the October Revolution. Their comprehensive national strength and economic

strength were much stronger than those of our country. The cultural quality of the Soviet people was also much higher than that of our people. They also had a sound basis in respect of the most advanced technologies, basic industries, and basic facilities. Provided there is a stable political situation there and they have chosen a road of reform that is suitable for their national situation, they will surely do a better job in all fields. Because of various historical reasons, some of the management systems of the socialist society did not quite suit the development of social productive forces in the past. It was imperative to eliminate such defects. In our opinion, in the reform, we should not negate Marxism-Leninism and socialism. It is most harmful to fundamentally negate everything. In practical life, there is no reason at all for us to negate everything. The Soviet people launched the great October Revolution. They made great sacrifices as well as great contributions during World War II and rehabilitated their national economy at an amazing speed after the war. They also made great contributions to the progress of the world. All these greatly inspired the Chinese people. From the bottom of our hearts we hope that the Soviet Union will achieve further stability and development. We believe that the CPSU and the Soviet people will never allow the current situation of instability to continue for a long time.

[Reporter] Comrade Yuan Mu, could you please tell us what other things made a deep impression on you during your Soviet visit?

[Yuan Mu] I longed to visit the Soviet Union for a long time and finally realized it. There were many things that made a deep impression on me during my visit, as I have just mentioned. Another thing that impressed me most deeply was our visit to the unknown martyrs' mausoleum in Marsovo Pole Square, Leningrad. Some 400,000 to 500,000 martyrs were buried there, and they all died in the war defending Leningrad. In those days, almost all families in Leningrad suffered the loss of the lives of their dear ones. Even under that extremely difficult situation, the Soviet people did not yield. Now the Soviet people still often go to the mausoleum and quietly place flowers on it. For the rest of my life, I will never forget the great patriotic, heroic, and indomitable spirit of the Soviet people.

[Reporter] Our country is at a turning point. We are yearning for the restoration of stability as soon as possible; otherwise, there will be serious damage and disorder in our country and the consequences will be unimaginable.

[Yuan Mu] Whatever the situation presently is, we believe that the Soviet Union will eventually overcome its difficulties, remove all kinds of obstacles, and get onto the road of healthy development.

[Reporter] We have already recognized that both the ultraleftist and ultrarightist views are very harmful. The people are already tired of disorder and unrest, and this feeling will certainly play its role. Comrade Gorbachev is

aware of this situation. He believes that there should be a center, and the people should take a reasonable attitude to deal with problems. It is necessary to remove obstacles in our way of advancement and overcoming the trend of leftist infantile disorder. Only thus can we earnestly do some concrete things. The pity is that we have spent too much time on this.

[Yuan Mu] More than 10 years ago, just after the "Great Cultural Revolution" ended, China was faced with a grim situation and a new choice. At that time, a very sharp contradiction in front of us was how to appraise Comrade Mao Zedong and Mao Zedong Thought. Two viewpoints existed both inside and outside the party: One held that Comrade Mao Zedong was not only wrong in starting the "Great Cultural Revolution" but was wrong throughout his life. People holding this viewpoint wanted to totally negate Comrade Mao Zedong and Mao Zedong Thought. The other held that Comrade Mao Zedong did not make any mistakes. Everything he said was correct and should be followed continuously. In my opinion, if we had chosen either of the two viewpoints at that time, confusion would have appeared in China's ideological and political fields. The party Central Committee headed by Comrade Deng Xiaoping then resolutely removed those two obstacles. They clearly pointed out that Comrade Mao Zedong was a great leader acknowledged both inside and outside the party. He made immortal contributions in guiding the Chinese revolution and construction to advance from victory to victory. His contributions far outweighed his errors; however, the mistakes he committed in his later years should also be corrected, and we should not be vague on this point. Mao Zedong Thought was a crystallization of collective wisdom and experience acquired by the party and the people in their long-term struggle. We should continue to uphold and develop it. These viewpoints were accepted by the great majority of comrades inside and outside the party and were included in the formal resolutions of the CPC Central Committee. This played an important role at that critical turning point. It was of great decisive significance to China's reform and construction.

China's history of building socialism is 30 years shorter than the Soviet Union's. We have also committed mistakes and suffered losses; however, the mistakes we have committed are still not so serious that we need to "change dynasty." This was the fundamental difference between ourselves and the rioters during the "4 June" disturbance in 1989. It was understandable and acceptable that people urged opposing corruption and strengthening democracy. In fact, the concept of socialism also includes the meaning of democracy and freedom. It also includes the necessity of the leadership of the Communist Party. Without the leadership of the Communist Party, there would be no socialism. Therefore, any attempts to practice so-called "democracy" and "freedom" by overthrowing the Communist Party are wrong and intolerable, because they can only lead to confusion.

The Chinese People and the Soviet People Hope To Be Friends From Generation to Generation

[Reporter] Would you please give your views on the prospects of Sino-Soviet relations?

[Yuan Mu] The Chinese people and the Soviet people are close friends. Our two countries have a boundary line more than 7,000 km long. We should be friends from generation to generation and should develop our good-neighborly relations. Sino-Soviet friendship has left a very deep impression on the hearts of the Chinese people. It can never be denied by any external forces and factors.

Since the normalization of bilateral relations, the friendship and cooperation between our two countries have been developing in many spheres. Whatever changes may take place in the Soviet Union, we will promote normal and good-neighborly relations between our two countries on the basis of the five principles of peaceful coexistence.

There is no need for reticence. There are different practices in our two countries, but we will never provoke any open disputes, because it will only be good to those who do not wish to see our friendship.

No Private Ownership Nor Unplanned Economy Should Be Practiced in the Socialist Economy

[Reporter] What are the main experiences and lessons China has learned during the reform?

[Yuan Mu] Reform of the economic structure has been carried out in China for more than 10 years. Although we have reached a common understanding on some matters on how to carry out the economic structural reform, it is just the beginning. We need to make further explorations in order to advance.

First, we should be clear about the purpose and nature of reform. Our reform is aimed at eliminating the defects of the old structure, which fettered the development of productive forces. It is a self-perfection and development of the socialist system and is by no means a negation of this system. Reform must be conducive to promoting the development of social productive forces and promoting social stability and progress. In reform, we must prevent the following two trends: One is the trend of conservatism and rigid thinking, holding that everything in the past was good and rejecting the reform. If this trend is not corrected, reform cannot be carried out. The other is the attitude of negating everything of the past and interpreting "reform" as negating everything, including the basic system of socialism.

Second, we hold that China's socialist economy is a planned commodity economy based on public ownership. We oppose both the viewpoint denying that the socialist economy is still a commodity economy and the viewpoint equating the socialist commodity economy with the capitalist commodity economy. The main body of the ownership of the socialist economy should be

public ownership. We must not practice private ownership, but at the same time, on the premise of having public ownership as the main body, we must give play to the useful supplemental roles of the individual economy, private economy, and other economic sectors. Of course, the development of the individual and private economy should not harm the interests of the economy under public ownership. In the past, we once held that socialism meant pure public ownership—the higher the degree of public ownership the better. As a result, the system was divorced from the real level of productive forces, and economic development was fettered. Over the past decade or so, we have made continuous efforts to consolidate, develop, and perfect public ownership while, on the other hand, appropriately developing the individual and private sectors of the economy on this basis. We have thus achieved better results in promoting production, enlivening the urban and rural markets, and improving the people's livelihood.

Third, according to our understanding, to develop the socialist planned commodity economy, we must gradually establish through reforms a new economic structure characterized by the integration of the planned economy and market regulation and a new economic operation mechanism. Proceeding from China's realities, we are not in favor of establishing a full market economy. We must continue to practice the planned economy, but at the same time, we must give full play to the positive role of market regulation.

[Reporter] How does China handle the relationship between planned economy and market regulation?

[Yuan Mu] In our opinion, the establishment of the basic socialist economic system with public ownership as the main body has provided conditions for us to conscientiously follow the law of developing in proportion and to practice the planned economy; however, according to the old planned economy, we always wanted to use a unified plan to regulate and control the complicated economic activities of the entire society. Facts have proven that this will not do. It is also very harmful, and it can seriously stifle the vigor of the economy. Therefore, we must also give play to the regulatory role of the market—these two must be well connected. On this question, we hold that we should not negate the planned economy, and we should not exclude the role of the market. When carrying out planned management, we must conscientiously abide by the law of value and give full consideration to the relationship between market supply and market demand. Market regulation should play its role under the guidance of the state's overall planning and be restricted by law and regulations.

In our current economic activities, there is mandatory planning, guidance planning, which is realized by economic means, and market regulation, which is entirely decided by the relationship between supply and marketing. The three are related to one another. The general trend is that mandatory planning is reducing appropriately while guidance planning and market regulation are

expanding gradually. An advantage of this is that we are able to maintain an overall economic balance, ensure a harmonious economic development, and prevent anarchism through planning while giving play to the role of the mechanism of market competition. This can help combine the unity and flexibility of the national economy.

[Reporter] Will there be any changes in China's tax collecting system in the future? What improvement will be made in the form of profit distribution?

[Yuan Mu] We are just discussing the problems concerning the tax separation system and the separate flow of profit and tax. It is possible that our tax revenue may be divided into three parts in the future—namely, the central tax revenue, local tax revenue, and the tax revenue shared by both the central and local authorities. To this end, it is necessary to correctly define the limits of authority—that is, what kind of affairs should be taken care of by the central authorities and what should be taken care of by the local authorities. It is also necessary to define the range of tax collection. At the same time, the enterprises will adopt a system to allow profit and tax to flow separately; however, during the Eighth Five-Year Plan, these reforms will be carried out as experiments so that we can accumulate experience and perfect the reform scheme. They will not be carried out extensively in this period.

Reform Is a Complicated and Systematic Project, All Reforms Must Coordinate With One Another

[Reporter] Will China gradually increase the weight of reform?

[Yuan Mu] On this question, I would like to give some of my ideas for your reference in light of China's practice.

The socialist system has gone through a course from immaturity to maturity since it was established. It needs to be constantly perfected. In the wake of the development of social productive forces, it is necessary to gradually readjust the production relations and the superstructure, which do not suit the development of productive forces. This general reform will go through the whole course of socialist construction.

The current reform of the economic structure is aimed at eliminating the defects of the management structure, which was formed step by step in the past under specific historical conditions, so that we can gradually establish a new economic structure that is suited to the development of the socialist planned commodity economy.

From our practice we understand that reform is a very complicated and systematic project. It should be carried out step by step rather than overhastily so that we can prevent social disturbances. On the premise of maintaining social political and economic order, it is necessary to adopt positive and appropriate measures to ensure that the masses can gradually increase their material benefits in the course of reform and that social

productive forces can be gradually increased. Thus, the masses of people will surely support and take an active part in the reform. There will certainly be risks when carrying out reforms. We must not be afraid that disorder may appear during the reform; however, if there are great social disturbances or serious disorder in society, which make people disappointed or discontented, it will be difficult for us to push the reform forward smoothly.

In reform, the work in various fields should be coordinated. For example, the reform of the economic structure alone concerns many other reforms, including reforms of the planning system, financial system, tax collection system, monetary system, circulation system, foreign trade system, distribution system, investment system, price system, and enterprise management system. If any of these reforms is not well coordinated with the others, it will be unable to advance smoothly. Moreover, as each of those reforms concerns the distribution and changes in the material benefits of the state, the localities, the enterprises, and individuals, in the course of reform as a whole, we should give full consideration to the bearing capacities of the state, the collective, and the individual in various fields.

Relationship Between Reform of the Economic Structure and Reform of the Political Structure

[Reporter] Would you please say something about how China views the relationship between reform of the economic structure and reform of the political structure?

[Yuan Mu] With the deepening of reform of the economic structure, relevant reform of the political structure should also be carried out; otherwise, the achievements of economic structural reform cannot be consolidated. There is no doubt about it. We learned from our practice in the past few years that it is appropriate and feasible to eliminate in the first step those factors in the economic structure that hinder the development of productive forces so that the people may obtain real benefits from this reform and may show concern for, support, and take part in the reform, and then carry out reform of the political structure along with the deepening of the economic structural reform. If the economy is not boosted and disorder appears in the socioeconomic field, the masses of people will certainly be discontented and it will be difficult to carry out reform of the political structure.

Over the past decade or so, while carrying out reform of the economic structure, headway has also been made in reform of the political structure. In political structural reform, we will unshakably adhere to the fundamental system of the people's democratic dictatorship led by the working class and based on the worker-peasant alliance.

On this premise, we will make continuous efforts to perfect the people's congress system, which conforms to our national situation, improve the multiparty cooperation under the leadership of the Communist Party and the system of political consultation, consolidate and

develop the extensive patriotic united front, and perfect socialist democracy and the legal system. In short, both socialist reform of the economic structure and reform of the political structure are aimed at developing the good and eliminating the bad and perfecting the socialist system. In both reforms, we must prevent the erroneous practice of negating everything.

China Will Continue To Carry Out Reform and Opening to the Outside World Unshakably

[Reporter] Sorry to have bothered you for such a long time. Because we are leaving your country tomorrow, we would like to ask you whether you have any more to say in conclusion.

[Yuan Mu] What I want to say in conclusion is that China will inevitably and unshakably continue to carry out reform and opening up to the outside world. There is no reason at all why the policy of reform and opening up should be changed, as it has vigorously promoted our economic and social development and brought about a great deal of substantial benefits to the people. The deeper we carry out the reform and the wider we open up to the outside world, the more it is necessary for us to carry out socialist education among the people and endeavor to make them feel the superiority of the socialist system, so that they may not be affected by the Western concept of value and the decadent Western ideology. For a period in the past, as we did not attach sufficient attention to this, our cause was greatly harmed. This is a lesson we should always heed.

[Reporter] We have also encountered such problems.

[Yuan Mu] There are some things in common between our two countries, but we also have many different characteristics.

We hope that the Soviet party and state will be able to proceed from their own realities and find a road suitable for their national situation and that they will achieve successes in their reforms. We wish you comrades a pleasant journey on your way home. Thank you for your interview.

[Reporter] Thank you, Comrade Yuan Mu.

Northeast Asia

Student Worker in Japan Seeks Refugee Status

*OW3101071091 Tokyo KYODO in English 0652 GMT
31 Jan 91*

[Text] Osaka, Jan. 31 KYODO—A Chinese student worker, who says he is a political activist, called for support Thursday to his quest for refugee status in Japan because of possible punishment if he returns to his homeland.

Zhao Nan, 40, whose student visa has expired, told reporters if he is repatriated to China, he may face severe

punishment because of his involvement in China's pro-democracy movement in Japan.

Zhao said he came to Japan in September 1988 to study Japanese society and economy, and worked while attending a Japanese language school in Osaka. He said he became a leading activist last December as head of the Japan Branch of the Federation of Democracy in China, a Paris-based Chinese dissident group.

Immigration authorities refused to grant an extension of his visa last September and gave him three months to leave Japan, Zhao said.

He applied for recognition as a refugee last month and underwent a screening by immigration officials on Wednesday, he said.

Kaifu Calls for Redefinition of Postwar Pacificism

*OW3001183391 Beijing XINHUA in English
1712 GMT 30 Jan 91*

[Text] Tokyo, January 30 (XINHUA)—Japanese Prime Minister Toshiki Kaifu today here called for redefinition of peace, saying that Japanese pacifism can not be a type of pacifism where only the nation alone lives in peace.

Kaifu was responding to a proposal that Japan should be pushing for a ceasefire in the Gulf war, put forward on the final day of a three-day Diet questioning.

The Japanese prime minister was seeking support from the public for the government's new pledge to give an additional nine billion dollars aid to the U.S.-led multinational forces fighting Iraq.

"Barring military aspects, we will cooperate to the greatest possible extent in order to fulfill our duty" in the Gulf, Kaifu said.

Kaifu added that he is watching developments in the war, and would use diplomatic efforts to help restore peace in the Gulf.

A poll survey released today by KYODO NEWS SERVICE showed 48 percent of the Japanese in favor of fighting against Iraq, and 45 percent against, while 53 percent were either opposed (30 percent) to the new nine billion dollar pledge or against any contribution (23 percent).

The poll found the voting public even more strongly aligned against the government's January 24 decision to dispatch military planes to the Middle East to help evacuate refugees, with 58 percent against the plan, and 38 percent in favor.

First Day of DPRK-Japan Talks Ends

*OW3001182391 Beijing XINHUA in English
1705 GMT 30 Jan 91*

[Text] Pyongyang, January 30 (XINHUA)—The first inter-governmental full-dress talks for the normalization

of diplomatic relations between the Democratic People's Republic of Korea and Japan began here today.

On the agenda agreed by the two sides earlier, are basic problems on the normalization of DPRK-Japan diplomatic relations, economic issues attendant upon the normalization of DPRK-Japan diplomatic relations, international issues related to the normalization of DPRK-Japan diplomatic relations and other matters of mutual concern.

The DPRK Government delegation head Vice-Minister of Foreign Affairs Chon In-chol and Japanese Government delegation head Noboru Nakahira, specially appointed ambassador at vice-ministerial level of the Foreign Ministry, expounded the respective stances of their own governments on questions discussed.

The talks will continue on January 31.

Guangdong's Xie Fei Greets Mongolia's Ochirbat

*OW3001144591 Beijing XINHUA in English
1409 GMT 30 Jan 91*

[Text] Guangzhou, January 30 (XINHUA)—Mongolian top party leader Gombojabyn Ochirbat arrived here from Beijing this afternoon for his three-day visit to Guangdong Province, China's first province to implement the policy of reform and opening to the outside world.

Ochirbat, chairman of the Central Committee of the Mongolian People's Revolutionary Party, was greeted at the airport by Xie Fei, newly-appointed secretary of the Guangdong Provincial Committee of the Chinese Communist Party.

During their meeting later today, Xie briefed Ochirbat on the achievements made by the province over the past 11 years, saying that the living standards of the local people have been greatly improved and the economy has developed rapidly.

Ochirbat said that he was very happy to have an opportunity to visit Guangdong where he could learn more about the achievements and experience China had made in its reform and opening to the outside world. This is of use and practical significance for Mongolia's efforts to stick to opening to the outside world, Ochirbat added.

Mongolian Army Delegation Visits Tianjin

*SK3101053190 Tianjin City Service in Mandarin
2300 GMT 30 Jan 91*

[Text] At noon on 30 January, at Yingbin Hall, Yang Zhihua, Standing Committee member of the municipal party committee and commander of the Tianjin Garrison District, met with and feted the delegation of the logistics department of the Mongolian People's Army, headed by (Bu Dalily). The two sides had a cordial and friendly conversation. On behalf of the officers and men

of the Tianjin Garrison District, Commander Yang Zhihua extended a warm welcome to the guests.

(Bu Dalily) and his entourage arrived in Tianjin on the morning of 30 January. During its stay in Tianjin, the delegation visited Plant No. 3522 and a (?musical instrument) plant, and toured the international department store and the new cultural street.

Official Receives Mongolian Observation Group

SK3101034991 Hohhot NEIMENGGU RIBAO
in Chinese 3 Dec 90 p 1

[Text] On the evening of 1 December, Alatanaoqier, vice chairman of the region, had a friendly conversation with Hader [as transliterated], vice minister of agriculture, food, and light industry of the Mongolian People's Republic.

The Mongolian observation group, headed by Vice Minister (Hader), came to our country for a visit upon the invitation of the Ministry of Agriculture. This group specially came to our region on 29 November for an observation. Alatanaoqier introduced in detail the region's achievements scored in agriculture and animal husbandry over the past few years, and expressed the region's willingness to conduct economic and technological exchange and cooperation with various countries and regions, the Mongolian People's Republic in particular. Vice Minister Hader praised the region for its achievements in grassland construction and management, and expressed hope that the two sides would strengthen bilateral exchange and cooperation in plant protection and grassland construction. During its stay in Hohhot, the group exchanged views and discussed affairs with the regional agriculture commission, the animal husbandry bureau, the plant protection station, and the grassland work station. The group also visited the Neimenggu agriculture and animal husbandry institute.

Present at the reception and joining the discussion were comrades of the regional foreign affairs office, the agricultural commission, and the animal husbandry bureau. Also present at the reception were Zondui Salale [as transliterated], consul general of Mongolia in Hohhot. After the reception, Vice Chairman Alatanaoqier hosted a banquet in honor of the Mongolian guests on behalf of the regional people's government.

South Korea Trade Office Opens in Beijing

OW3001135591 Beijing XINHUA in English
1324 GMT 30 Jan 91

[Text] Beijing, January 30 (XINHUA)—A representative office of the South Korean Trade Promotion Corporation (KOTRA) opened for business today in Beijing.

The China Chamber of International Commerce (CCIC) signed an agreement in Beijing last October with KOTRA to mutually establish representative offices in Beijing and Seoul of South Korea.

The CCIC representative office in Seoul is now under preparation.

Southeast Asia & Pacific

'Party Sources' on Vietnamese Visit to PRC

OW3101094991 Tokyo KYODO in English 0938 GMT
31 Jan 91

[Text] Hanoi, Jan. 31 KYODO—A Vietnamese Communist Party delegation has been on a two-week visit to China since January 20 at the invitation of the Chinese Communist Party. Vietnamese party sources said Thursday.

The six-member delegation led by Vu Oanh, a member of the party Secretariat, entered China by land and arrived in Beijing from Nanning by air, the sources said.

The Vietnamese mission met Chinese Premier Li Peng on January 21 and has held talks with Vice Foreign Minister Qi Huaiyuan, the sources said.

The Vietnamese delegation has proposed to set up a committee to discuss security and trade across the border, exchange delegations to study socioeconomic situations in each country, and promote cultural exchange, they said.

The Chinese side has repeated its previous stance that the settlement of the Cambodian conflict should precede negotiations on bilateral issues, the sources said.

The delegation includes senior members of the Vietnamese party in charge of agriculture, science and technology, and foreign affairs, and the purpose of the visit is to gain experience of political and economic reform in China.

The two parties will also discuss how to improve relations, and normalization of relations between the two countries, they said.

Vietnamese Vice Premier Vo Nguyen Giap, a senior member of the Vietnamese Communist Party and the armed forces, visited China last September at the invitation of the Chinese Government to attend the opening ceremony of the Asian Games in Beijing.

Nouhak Phoumsavan Interviewed on PRC Visit

BK3001131391 Beijing International Service
in Lao 1230 GMT 27 Jan 91

["Interview" with Nouhak Phoumsavan, chairman of the Lao Supreme People's Assembly, by station correspondent (Zhen Izan) on the assembly delegation's goodwill visit to China; place, date not given—recorded]

[Text] I have made several visits to the PRC in the past; however, this is my first visit to the PRC in 18 years, which was before the establishment of the Lao People's Democratic Republic [LPDR]. I am extremely glad and

feel highly honored to have led a delegation of the LPDR Supreme People's Assembly [SPA] to pay an official friendship visit to the PRC at the invitation of the Standing Committee of the PRC National People's Congress [NPC].

Our visit, although short, was brilliantly successful and significant to the national assemblies of both Laos and China in their endeavors to further expand friendly relations and bilateral cooperation. During the visit, my party and I were given the honor of paying courtesy calls on and holding talks with Comrade President Yang Shangkun and Comrade Premier Li Peng. We held meetings with Comrade Wan Li, chairman of the NPC, and Comrade Chen Muhua, vice chairwoman of the NPC. The said meetings and talks were aimed at strengthening the traditional friendly relations between the parties, governments, and peoples of the two countries for the benefit of peace, friendship, and cooperation in this region.

This visit is the result of the successes of the visit to the PRC by Comrade General Secretary Kaysone Phomvihane, chairman of the LPDR Council of Ministers, in October 1989 and the visit to the LPDR of Comrade Premier Li Peng in December 1990 which have brought Lao-Chinese friendship and solidarity to a new milestone of economic and cultural cooperation.

During the visit, I and my delegation witnessed the noble spirit of friendship the Chinese people have reserved for our Lao people. We were accorded warm receptions by comrade leaders and local people when we arrived in Kunming, Shenzhen, Guangzhou, Beijing, and other places. I wish to express our deep gratitude for such warm welcomes and wholeheartedly acclaim the great victories won by the Chinese people in the task of national development. These victories have clearly proven that the reforms and open-door policy of the CPC laid down by senior Chinese leader Comrade Deng Xiaoping is correct and compatible with China's special characteristics and circumstances. I have witnessed tremendous changes in both towns and rural areas in China. The Chinese people's material and spiritual life has been explicitly improved, and the country is quite stable compared to 18 years ago. We highly appraise the great victories.

Laos and China are neighboring countries that share hundreds of kilometers of a common border, mountain ranges, and rivers. The peoples of the two countries have maintained the fine tradition of mutual affection and assistance since ancient times. During the period of the struggle for national liberation as well as at the present time, the Chinese party, government, and fraternal people have been providing both material and moral support to the Lao people's revolutionary cause.

On this occasion, I, on behalf of the Lao party, government, and people, wish to express our deep gratitude for the aforementioned great support and assistance. I wish

the fraternal Chinese people greater successes in implementing the reforms and open-door policy so they can build a socialist China for the well-being of the Chinese people. May the traditional friendship between the two parties, states, and peoples of Laos and China last forever.

CPPCC Delegation Ends Visit to Laos

OW3001180091 Beijing XINHUA in English
1642 GMT 30 Jan 91

[Text] Bangkok, January 30 (XINHUA)—A delegation of the Chinese People's Political Consultative Conference [CPPCC] led by its Vice-Chairman Hong Xuezhong arrived here today after winding up a Laos visit.

During its week-long stay in Laos, the Chinese delegation met with Phoumi Vongvichit, acting president of the Lao People's Democratic Republic and chairman of the Lao Front for National Construction.

The Laotian leader appreciated the visits and interchanges between the Chinese People's Political Consultative Conference and the Lao Front for National Construction, which, he said, were of great importance to the promotion of mutual understanding, friendship and cooperation between the two peoples.

The two sides held that the exchange of visits by Chinese and Laotian leaders have brought the relations between the two countries to a new phase.

New Zealand Prime Minister Meets Rong Yiren

OW3101104091 Beijing XINHUA in English
0315 GMT 31 Jan 91

[Text] Wellington, January 31 (XINHUA)—New Zealand Prime Minister Jim Bolger said today he was looking forward to strong positive ties with China in the future and to further exchanges of experiences, knowledge and investment opportunities between the two countries.

The prime minister made the remarks at a meeting with Rong Yiren, chairman of the China International Trust and Investment Corporation (CITIC), here today.

Rong is also vice-chairman of the Standing Committee of the National People's Congress (NPC) of China and chairman of the All-China Federation of Industry and Commerce.

The meeting is said to be the first that the prime minister has had with an official delegation from a foreign country since the election of the National Party Government last October.

Bolger said Rong's visit was "an important part of understanding and bilateral relations between the two countries." The visit was also another way for the two countries to share experiences and opportunities, he said.

Bolger said there had been good relations between the two countries before. But there were less links since mid-1989. However, this had now been that of event of a kind of history, he stated. [sentence as received]

New Zealand had always considered China as a major market and hoped for China's coming back to buy wool, the prime minister noted. New Zealand also understood the interests of China in New Zealand and welcomed Chinese investment in the country in forestry and other economic sectors.

Rong said New Zealand had advanced technology in farming and animal husbandry. He believed China would benefit from exchanges and cooperation in these sectors.

During the meeting, Rong briefed the prime minister on China's current economic [words indistinct] and the formulation of economic development programs for the coming five and ten years. China was striving to double its GNP by the end of the century, Rong said. The past ten years already saw the country's GNP more than doubled, he added.

While mainly by self-reliance in developing its economy [as received], China deemed it an important supplementary measure to strengthen economic exchange and cooperation with foreign countries, namely, the country's policy of opening to the outside world, Rong said.

Rong reaffirmed that China's policy of opening to the outside world remained unchanged despite the efforts to readjust its economy in the past two years and more. The readjustment was just aimed at correcting the trend of overheated economy, and during the process, Sino-foreign economic cooperation and exchanges had by no means been neglected, he said.

Rong promised to seek more opportunities to invest in New Zealand. He also instructed CITIC's subsidiary based in Australia to give more attention to investment opportunities in New Zealand and elsewhere in the region.

Bolger hoped the years ahead would be years with a strong economic growth [words indistinct] for New Zealand. It was his government's policy to expand New Zealand's exports, to improve the living standards of its people and to encourage investors from China and elsewhere to move out to seek opportunities in New Zealand, he said.

Rong, McKinnon Hold Talks

OW3101104291 Beijing XINHUA in English
0625 GMT 31 Jan 91

[Text] Wellington, January 31 (XINHUA)—New Zealand Deputy Prime Minister Don McKinnon today met with Rong Yiren, chairman of the China International Trust and Investment (CITIC), and his party.

Rong is also vice chairman of the Standing Committee of the National People's Congress of China.

McKinnon, New Zealand's only deputy prime minister and also minister of external relations and trade and minister of foreign affairs, extended warm welcome to Rong on behalf of the New Zealand Government.

When McKinnon addressed him as a "capitalist from the speeding communist giant," Rong said, "I used to be a capitalist. But now I am both a 'capitalist' and a civil servant."

"I have got to do my job well in strengthening Sino-foreign international economic cooperation to contribute to China's drive to redouble its GNP by the end of the century," Rong said, adding that that was why the CITIC was looking for partners worldwide.

When asked about China's requirements for outside investors, Rong said China welcomed any form of investment in many economic sectors including energy, transport and telecommunications industries and investment related to the technical transformation of the existing enterprises. Interests of foreign investors in China would be protected, he said.

Referring to China's investment overseas, Rong stated, China had focused on investing in such sectors as iron-ore, timber, non-ferrous metals and petrol and chemical industries to make up what China lacked.

In briefing New Zealand's economic situation, McKinnon quoted a local media report as saying that the country's economy now rested on the bottom. "We cannot always walk along the bottom instead of coming out. And it's now the time for investment," he said.

The meeting was followed by the meeting between New Zealand Prime Minister Jim Bolger and Rong.

Rong and his party were guests of honor at a banquet hosted by McKinnon at noon today at which Rong met with Don Brash, governor of New Zealand's Reserve Bank.

The CITIC chairman met with New Zealand Minister of Agriculture John Falloon this afternoon.

Rong and McKinnon are expected to attend a banquet given by Chinese ambassador to New Zealand Ni Zhengjian this evening.

Thai Assembly President Receives Delegation

OW3101093291 Beijing XINHUA in English
0833 GMT 31 Jan 91

[Text] Bangkok, January 31 (XINHUA)—Thai National Assembly President Wan Chansu met here today with a Chinese delegation led by Hong Xuezhi, vice-chairman of the national committee of the Chinese People's Political Consultative Conference (CPPCC).

Wan said during the meeting that the Chinese delegation's visit will strengthen relations between the two countries. He noted that friendship and cooperation between Thailand and China are deep-rooted in tradition and history.

The Chinese delegation arrived here Wednesday after winding up a visit to Laos.

During their stay in Thailand, the Chinese guests will be granted an audience with the King of Thailand and meet with Thai Prime Minister Chatchai Chunhawan.

National Theater Gift Handed Over to Burma

*OW3101120591 Beijing XINHUA in English
1021 GMT 31 Jan 91*

[Text] Yangon [Rangoon], January 31 (XINHUA)—A ceremony of handing over the national theater to the Myanmar [Burmese] Government by the Chinese Government was held here today.

Attending the ceremony were the Chinese Government delegation led by Luo Gan, secretary-general of the State Council; Lt-Gen Phone Myint, member of the Myanmar State Law and Order Restoration Council (SLORC) and minister for culture, information and for home and religious affairs; Maj-Gen Myo Nyunt, SLORC member and chairman of the Yangon Division Law and Order Restoration Council; and Chinese Ambassador to Myanmar Cheng Ruisheng.

Phone Myint expressed, on behalf of the Myanmar Government and people, heartfelt gratitude to the Chinese leaders and government for the national theater, which is "the symbolization of Sino-Myanmar friendship."

He believed that "further development of the friendly and mutual-benefit relations will promote the peace and stability of this region."

Luo Gan said the national theater is the symbol of the friendship of the two peoples. It is also a fruit of the economic and technical cooperation of the two countries demonstrating the friendly sentiments of the two peoples and hard work of the technicians.

He wished that the friendly relations of cooperation of China and Myanmar and the traditional friendship of the two peoples would be further consolidated and developed.

Tin Htoo, director-general of the fine arts departments under the Ministry of Culture, introduced to the guests the process of construction of the national theater.

The national theater was a gift of the Chinese Government offered by Chinese President Li Xiannian when he paid an official visit to the country in March 1985.

The construction of the project with an acreage [as received] of 24,000 square meters including a 1,500-seat modern theater started in March 1988. It was stopped in August 1988 due to Myanmar's internal political situation. The project continued in 1989 and was completed in December 1990.

After the speeches at the ceremony, Phone Myint and Luo Gan signed the handing-over documents of the national theater on behalf of their respective governments.

The Chinese Government also presented a 40-seat "Hino" bus to the Myanmar Government at the ceremony.

A song and dance performance will be given by Myanmar artists this evening in honor of the Chinese guests.

Central Committee Plenum

Editorial on Central Committee 'Proposals'

OW3001213591 Beijing XINHUA Domestic Service
in Chinese 1336 GMT 30 Jan 91

[RENMIN RIBAO 31 January editorial: "Strive To Achieve the Second-Step Strategic Objective"]

[Text] Beijing, 30 Jan (XINHUA)—The Seventh Plenary Session of the 13th CPC Central Committee, held not long ago, pooled the wisdom of the whole party and examined, discussed, and adopted the "Proposals of the CPC Central Committee for the Drawing-Up of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development." While fully affirming the achievements over the past decade and more, summing up in a scientific way the experience accumulated in those years, and making a correct analysis of the international and domestic situations, the "Proposals" set up the work targets and basic guiding principles for the next 10 years and for the Eighth Five-Year Plan period, the major tasks for our national economic and social development, and the plans and measures for deepening reform and opening wider to the outside world on the basis of the needs of building socialism with Chinese characteristics. This is a program for us to take action to achieve the second-step strategic objective and signifies that our country's socialist modernization drive has entered a new development stage. Anyone with a warm love for the motherland and an aspiration for its prosperity is greatly inspired by this document.

As everyone knows, following the Third Plenary Session of the 11th CPC Central Committee, our party summed up the positive and negative experiences in socialist construction, set forth a concept for our country to realize socialist modernization in about 100 years dating from the founding of New China, and embodied this in a concrete "three-step process": The first step is to use 10 years' time to double the 1980 gross national product [GNP] and solve the people's food and clothing problems. The second step is to spend another 10 years to redouble the GNP by the end of this century, thus enabling the people to lead a fairly comfortable life. The third step is to bring the per-capita GNP to the same level as the moderately developed countries and basically accomplish China's modernization drive by the middle of the next century.

Actual practice has borne out that the three-step concept is correct. The first-step 10 years have elapsed. During this period, our country's GNP has actually increased by 1.23 times. We have created a new situation of socialist modernization, and the progress we made in reform and opening to the outside world has drawn worldwide attention. Our undertakings in the fields of science, education, and culture have developed rapidly. Our overall national strength has grown remarkably. Our

people's living standards have improved to a considerable extent. Since the Fourth Plenary Session of the 13th CPC Central Committee, we have made earnest efforts to sum up experience and draw lessons under the leadership of the party Central Committee with Comrade Jiang Zemin as the nucleus. We have resolutely carried on what is correct. We have improved our shortcomings and corrected our errors. As a result, new progress has been made in all fields of work.

Reviewing the past 10 years, we are full of joy. Looking ahead into the next decade, we are even more confident. The second-step strategic objective is great and also arduous. As far as the economic growth rate is concerned, because it has already more than doubled in the last 10 years, we will be able, by the end of this century, to fulfill the task of "quadruplication" in 20 years if we maintain an average annual growth rate of 6 percent during the next decade. This rate, though somewhat below that for the last 10 years, is even harder to achieve than the previous one because it represents a "high base" growth—an increase from a higher basis—as well as a "high layer" growth, which means it should meet higher demands regarding economic structure, quality, and efficiency. This can be likened to sports—the higher the level, the harder it is to make a breakthrough.

It should also be noted that achieving the quadruplication objective is not merely a "task of production." In reality, it is a systems engineering project which covers both development and reform and which consists of economic growth, social development, the building of material and spiritual civilization, and the harmonization of their relations. During the next decade, we should deepen our reform and opening to the outside world and initially establish a new system of socialist planned commodity economy. This, too, is a very complicated and arduous task. By the year 2000, the people's living standards will be brought to the level of a fairly comfortable life. The quality of their everyday life will be further improved. Residents in both urban and rural areas will be more affluent in terms of clothing, food, daily necessities, housing, and transportation, reaching the stage of being well-fed and well-clothed. The improvement of the people's living standards refers not only to material life but to spiritual life as well, while material life includes not only personal consumption but also social environment. Hence, it is by no means an easy task to achieve the above-mentioned objective.

The most fundamental guarantee for achieving the second-step strategic objective is to adhere to the course of building socialism with Chinese characteristics, that is, to resolutely implement the 12 principles set forth in the "Proposals." These principles were formulated as proposed by Comrade Deng Xiaoping, through the period from the Third Plenary Session of the 11th CPC Central Committee to the 12th and 13th CPC Congresses, according to the tenet of integrating the universal truth of Marxism with the concrete practice in China, and on

the basis of intensive efforts to sum up historical experience and current practice. They represent the unanimous understanding of the whole party regarding the basic theory and practice of building socialism with Chinese characteristics. These 12 principles have not come easily. They are an extremely worthy spiritual asset and a very sharp theoretical weapon. Comrades in all localities and departments should earnestly organize people to study the "Proposals." They should use the "Proposals" to unify people's minds and see to it that the intelligence and wisdom of the people of all nationalities in the country are pooled together to achieve the second-step strategic objective.

To carry out the guidelines of the seventh plenary session, it is also necessary to put special emphasis on improving work style and doing down-to-earth work. Historical experience has proved that a good document or policy can yield good results only when it is really carried out through painstaking and meticulous work. Now, we must further materialize and institutionalize the basic guiding principles set forth in the "Proposals." As for major issues concerning our overall situation, we must clearly understand them one by one, and grasp them without fail until they are resolved. All comrades in the party, leading cadres at all levels in particular, must devote their attention to working in a down-to-earth way.

The last 10 years of this century will be a very pivotal decade in the course of our country's socialist modernization. This is true whether it is viewed from the angle of the international situation or in the perspective of our domestic development. Our work during these 10 years will have a bearing on the rise or fall, success or failure of our country's socialist cause and on the future and destiny of the Chinese nation. We must have a sufficient understanding of this.

Now, our objective is clear and scientific, and our basic guiding thought is correct and comprehensive. We have made great achievements and gained rich experience over the past 40 years or so, especially during the more than 10 years of reform and opening to the outside world. Our party and people have become more mature through practice and study in the great socialist cause. At present, our country enjoys political, economic, and social stability and is full of vigor and vitality in conducting reform and opening to the outside world. All these presage that, for our country, the next 10 years will be a magnificent decade, a brilliant decade, and a decade full of vitality and enormous hope!

Comrades in the whole party and people across the country, let us respond to the call of the Seventh Plenary Session of the 13th CPC Central Committee, adhere to the party's basic line, and carry forward the fine traditions of self-reliance, hard struggle, and building up the country through thrift and diligence. Let us re-energize our spirits, be of one heart and one mind, act cautiously and conscientiously, immerse ourselves in hard work, and strive strenuously to fulfill the Eighth Five-Year

Plan and to achieve the second-step strategic objective of our country's socialist modernization drive!

Political & Social

Pro-Democracy Activist Liu Zihou Sentenced

HK3101102291 Hong Kong AFP in English 1014 GMT
31 Jan 91

[Text] Beijing, Jan 31 (AFP)—A Chinese worker was recently given a jail term for his role in the 1989 pro-democracy movement, although judicial authorities here declined to specify the length of the sentence.

Liu Zihou, 34, was found guilty of "incitement to armed rebellion" and handed a jail term of "seven years or less," the authorities said.

"The sentence handed down to Liu Zihou was lenient," a spokesman for the Beijing Intermediate People's Court said Thursday, adding the tribunal had "no obligation to disclose" the outcome of the proceedings.

"It is not a case that concerns foreigners," the spokesman said by telephone.

Mr. Liu, who coordinated dissident workers and took part in a hunger strike in Tiananmen Square during the 1989 May and June demonstrations in the capital, had been accused of burning military vehicles and constructing barricades.

After the trials of a group of dissidents, whose sentences were officially announced Saturday, the harshest sentence was handed down to Ren Wanding, a 45-year-old accountant.

Mr. Ren, who was sentenced to seven years imprisonment, showed "no repentance," the official XINHUA News Agency said at the time.

He was accused of "counter-revolutionary propaganda and incitement to overthrow the socialist order."

However, the authorities were relatively lenient with Wang Dan—number one on their most wanted students list—and sentenced him to four years imprisonment and exempted literary critic Liu Xiaobo from punishment.

They said both Mr. Wang and Mr. Liu had shown "repentance" and had helped authorities.

After the trials, which took place between January 8 and January 23, five dissidents received sentences of between two and seven years imprisonment.

The authorities said on January 5 that seven students who took part in pro-democracy demonstrations had received prison sentences of between two and four years.

Minister Said Charged With Embezzlement

HK3101012591 Hong Kong HONGKONG STANDARD
in English 31 Jan 91 p 10

[By Alan Nip]

[Text] Chinese Minister of Communication Qian Yongchang was suspended from work late last year for alleged embezzlement of \$156,000, a local China-watching magazine has reported.

However, officials at the ministry yesterday denied the report when contacted by The HONGKONG STANDARD.

"We don't know how the rumour started and there is no such thing as the alleged embezzlement by Mr Qian. He still works normally," said one official.

In its latest issue THE NINETIES said Mr Qian was found to have embezzled \$156,000 and his case was under secret investigation.

The magazine quoted sources from the Ministry of Public Security as saying Mr Qian was put under house arrest to prevent him fleeing the country.

The minister is not on good terms with Premier Li Peng whom he angered with his sympathetic attitude towards the student-led demonstration 18 months ago, according to the magazine.

Mr Qian was the only ministerial level official absent from a meeting on June 6, 1989 called by Mr Li.

Li Peng Stresses Need To Combat Corruption

OW3101091391 Beijing XINHUA Domestic Service
in Chinese 0848 GMT 30 Jan 91

[By Central People's Broadcasting Station reporter Luo Guanxing (5012 6034 2502) and XINHUA reporter Zhang Sutang (1728 1372 1016)]

[Text] Beijing, 30 Jan (XINHUA)—Premier of the State Council Li Peng received representatives of advanced collectives and individuals of the nation's supervision departments and delegates to the third national conference on supervision work in the Great Hall of the People today. He told them that the more China expands its opening to the outside world, deepens reform, and develops the economy, the more important it becomes to eliminate corruption and build clean and honest administrations so that the party and government will be able maintain close ties with the masses.

Li Peng congratulated the advanced collectives and individuals on winning their honorary titles and extended, through them, cordial regards to staff members and workers on the supervision front across the nation. He said: Since their inauguration three years ago, supervision departments, under the leadership of party committees and governments at all levels, have exerted great efforts in the fight against corruption and made sound contributions to the promotion of clean and

honest administrations and to the promotion of economic, political, and social stability. At the same time, the supervision departments have become an effective deterrent to those government officials who have committed or are inclined to commit irregularities.

Li Peng said: The recent Seventh Plenary Session of the 13th CPC Central Committee examined and adopted the Proposals of the CPC Central Committee for the Drawing-Up of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development. Supervision departments are faced with very important and difficult tasks.

Li Peng said: The job of supervision departments is a difficult one. Therefore, party committees and governments at all levels should provide support to their work. In addition to the necessary support in regard to the working and living conditions of supervision personnel, they should, in particular, provide support to them when they encounter difficulties in their work. Supervision officials should carry forward the party's fine tradition, persist in seeking truth from facts, stress investigation and research, promote the spirit of sacrifice, and constantly enhance their political and professional quality. Tian Jiyun, Ni Zhifu, and Wang Bingqian attend the meeting. This commendation conference for advanced collectives and individuals of the nation's supervision departments, held in the Great Hall of the People, was the first meeting of outstanding workers since China's administrative supervision system was restored. At the meeting, Vice Minister of Supervision He Yong read a decision of the Ministries of Supervision and Personnel on commending advanced collectives and individuals of the supervision departments. According to the decision, 21 comrades, including Ma Danzhen, director of Gonghe County, Qinghai, Supervision Bureau, are given the honorable title of "National Model Supervision Worker"; 50 units, including the Dongcheng District, Beijing, Supervision Bureau the honorable title of "National Advanced Supervision Collective"; 244 comrades, including Lu Yudong, director of the Beijing Municipal Supervision Bureau, the honorable title of "National Advanced Supervision Worker."

Minister of Supervision Wei Jianxing and Vice Minister of Personnel Cheng Lianchang spoke at the commendation meeting. Model workers and representatives of advanced collectives issued a proposal to comrades on the supervision front nationwide calling on them to further pluck up their spirits, be united and enterprising, carry out their job well, and dedicate themselves to the cause of supervision. The proposal urged all staff members and workers in supervision departments to implement the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee in real earnest, give full play to the functions of the supervisory organs, deepen the struggle against corruption, build a clean and honest administration, and make new contributions to the stability of state and society and to the sustained, stable, and coordinated development of the national economy.

Jiang Zemin Meets Religious Leaders

OW3101091691 Beijing XINHUA Domestic Service
in Chinese 1412 GMT 30 Jan 91

[By reporter Zou Aiguo (6760 1947 0948)]

[Text] Beijing, 30 Jan (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, today invited five leaders of China's religious organizations to Zhongnanhai as his guests to have frank and heart-to-heart talks with them on ways to preserve the stability and continuity of religious policy.

Jiang Zemin said: In religious work, we must unwaveringly implement the policy of free religious belief, preserve the stability and continuity of the policy, unite the many personages in religious circles and the broad masses of religious followers, to maintain social stability in our country and work together to accomplish economic development, the second stage of the strategic objectives of social development, and the great cause of socialist construction with Chinese characteristics.

Amid the blossoming azalea and the aromatic narcissus in the meeting room, General Secretary Jiang Zemin and Ding Guangen, alternate member of the CPC Central Committee Political Bureau, member of the Secretariat, and head of the United Front Work Department, met with lay Buddhist Zhao Puchu, president of the Buddhist Association of China; Bishop Ding Guangxun, chairman of the Three-Self Patriotic Movement Committee of Protestant Churches of China and president of the Christian Council of China; Bishop Zong Huaide, chairman of the China Patriotic Catholic Association and acting head of the Chinese Catholic Bishops College; Chief Taoist Li Yuhang, chairman of the China Taoist Association; and Imam Shen Xiayi, president of the China Islamic Association. They sat around and chatted cordially in a most harmonious atmosphere.

During the conversation, Zhao Puchu, Ding Guangxun, Zong Huaide, Shen Xiayi, and Li Yuhang summed up the concrete conditions of the various religions and put forward some very useful views and suggestions. They indicated that they will, together with people of all nationalities throughout the country, hold aloft the banner of patriotism under the leadership of the CPC, firmly take the socialist road and struggle hard for the unification of the motherland, national unity, social stability, the accomplishment of China's second-phase strategic objectives, and the revitalization of the Chinese nation. After seriously attending to the views expressed by the participants, Jiang Zemin said: You all are principal leaders of various religious organizations in the country and are friends who enjoy our complete trust after withstanding tests in cooperating and working with our party for a long time. There are many other friends in religious circles who have been faithfully cooperating with our party. The political foundation for our cooperation is patriotism and the construction of socialism with Chinese characteristics.

Jiang Zemin pointed out: The correct approach and handling of religious issues is an important part of building socialism with Chinese characteristics. On one hand, we in the party and the government should resolutely implement such unchanged, long-term policies as respecting and safeguarding the citizens' rights of free religious belief, protecting the normal religious activities and legitimate rights of the religious circle. On the other hand, on the part of religious circles, they should firmly support the CPC leadership, support socialism, uphold the principle of an independently established church, and insist on carrying out religious activities within the scopes stipulated by the Constitution, laws, regulations, and policies. With this political foundation and cooperation between the two sides, the patriotic united front in religious circles will certainly be consolidated and developed persistently. This is an important experience drawn from the practical integration of Marxist religious theory with China's religious issues. Our principles in handling relations with our friends in religious circles are solidarity in politics and cooperation and mutual respects in ideology and belief. The stability and continuity of our party's policy on religion will certainly continue. It will not change.

Jiang Zemin said: It is necessary to strengthen, according to law, administrative management and supervision in the implementation of laws, regulations, and policies related to religious work. This will be beneficial to all: the state, society, and religious circles. Its objectives are to better protect the normal religious activities and the legitimate rights of religious circles. It will help prevent and check undesirable elements from using religion and religious activities to create chaos, violate laws, and commit crimes, as well as resist infiltration by outside hostile forces by exploiting religious activities. It aims at better implementation of the policy of free religious belief and is neither meant to interfere with religious organizations' own activities nor to tighten religious policy. In handling religion-related work, we have been consistently advocating full play for the roles of religious organizations and personages in religious circles, and supporting them in running their religious affairs independently in accordance with China's national conditions and the characteristics of various religions.

Finally, Jiang Zemin sincerely hoped that personages from religious circles and broad masses of religious followers will pull together, work in unity, and make greater contributions to the great cause of socialist modernization.

Also participating in the discussion were Jian Minkuan, Zhang Shenzuo, respectively executive deputy head and deputy head of the United Front Work Department; Ren Wuzhi, director of the Religious Affairs Bureau of the State Council; Li Zuomin; and Song Yingting.

Yuan Mu Views Reform, Open Policy Achievements

OW3101043991 Beijing in English to Western
North America 0500 GMT 30 Jan 91

[From the "Current Affairs" program]

[Text] It's been over 10 years since China adopted the policy of reform and opening to the outside world. What has been accomplished during that time, and how well have the reforms worked? These questions and more were answered by State Council spokesman Yuan Mu during a recent news conference. Radio Beijing's (Jia Jixuan) has more:

[(Jia Jixuan)] State Council spokesman Yuan Mu spoke on five major aspects of the reforms. He described that the overall changes in China is the established economic system being gradually replaced with new structures. Yuan Mu says the first major change is in ownership. Most of China's production means and resources were once all state-owned properties. Now the multi-ownership model has replaced this sole state ownership structure. [Yuan Mu heard briefly speaking in Mandarin, fading into English-language report] He says: Over the past decade, the Chinese Government has encouraged the development of the private sector, joint ventures, and solely foreign-owned enterprises. For example, 56 percent of the national industrial output value comes from state-owned enterprises, 36 percent from collectively-owned factories, and the rest from the private sector. In terms of the total retail sales volume, 39 percent comes from state-owned stores, 36 percent from collectively-owned stores, and the remaining 25 percent from individual vendors.

The spokesman says: State-owned enterprises are undergoing further reforms in the area of management. This will give managers more power to run their factories. Some state enterprises are also experimenting with shareholders and other types of ownership models.

The second major change cited by State Council spokesman Yuan Mu is in the area of the country's wage distribution system. The old policy that stressed the same pay regardless of the worker's efficiency has been replaced. Now managers can choose their own wage and bonus systems. For example, they can choose pay by quota, by time, or by piece. Although this new policy has been an incentive to factory workers, Yuan Mu admitted that intellectuals have complained. They said they don't benefit from this new model. However, the spokesman says, the government understands this problem and has made plans to improve the working and living conditions of intellectuals in the coming five years. He quoted Premier Li Peng as saying: The government will make no more empty promises but is determined to realize the plan.

Yuan Mu says the third change resulting from the reforms is the new economic system that combines central planning with market mechanisms. The spokesman says: The State Planning Commission has cut

its quota on industrial production by half and the Commerce Ministry has drastically reduced its control on commodities. In China, the supply of major materials used to be regulated by the government but now, in many cities, about 60 percent of these materials comes directly from local markets. This has also brought about some changes in the country's pricing system. Before the reforms, goods were sold at state-set prices. With the introduction of the market mechanism, Yuan Mu says, supply and demand have been major factors in setting prices. Statistics show that 65 percent of the agricultural produce, 65 percent of the industrial goods, and 40 percent of the raw materials are now sold at market prices.

The fourth major change is the reform of the country's management of economic activities from direct government involvement to less involvement. As administrative orders give way to financial and monetary regulations, such as changing the interest rate, exchange rate, and so on, banks and other financial institutions are also playing a bigger role in the national economy.

Finally, Yuan Mu says, the country's self-sufficient economy has been gradually replaced with an open economy that seeks international exchanges and cooperation. He says China took major strides in the 1980's. The country authorized four special economic zones and 14 coastal cities to open to foreign investment and business. The government also designated new development zones in Hainan Province, Shanghai, and other coastal cities. These development zones are allowed to make special arrangements to take part in international economic exchanges and competition. State Council spokesman Yuan Mu says the government has recently extended the open-door policy to inland cities to attract foreign funds and technology. All in all, Yuan Mu says, these five major changes are setting a new trend in China that will further support reforms in the coming years. For Radio Beijing, I am (Jia Jixuan).

CPC Honors Fu Xianzhong as Model Communist

OW3001131491 Beijing XINHUA in English
1038 GMT 30 Jan 91

[Text] Beijing, January 30 (XINHUA)—More than 50 veterans and officials of the Communist Party of China (CPC) praised an ordinary peasant from north China as an example for all CPC members at a symposium held here this morning.

The participants also honored the release of the book—*"Real Communist Party Member—Fu Xianzhong"* at the symposium, which was sponsored by departments of the CPC Central Committee.

The symposium was held following an epitaph party General Secretary Jiang Zemin wrote earlier this month for Fu Xianzhong, who died in 1989. The epitaph reads: "Learn from Comrade Fu Xianzhong, his devotion to the party and his revolutionary spirit of fearing no hardships".

Fu, a village store-keeper and a party activist, began spreading and promoting the policies of the party and the government in 1950. He devoted his entire life to uniting all the villagers in an effort to rid his home village of poverty.

Briefing the participants about Fu's deeds, a local party official from Fu's hometown said that even though he didn't accomplish any earthshaking feats, what Fu did do in four decades at an ordinary post should be an example to all Chinese Communists.

Late last year, the departments concerned of the party Central Committee made a decision calling on all party members and low-level party committees to learn from Fu and follow his example of doing practical things to help people.

NPC Vice Chairman Peng Chong Visits Fujian

HK3001013091 Fuzhou Fujian Provincial Service in Mandarin 1100 GMT 27 Jan 91

[Text] On 12-28 January, accompanied by Comrade Cheng Xu and others, Peng Chong, vice chairman of the NPC Standing Committee, inspected factories, rural areas, and scientific research units in Zhangzhou, Xiamen, Quanzhou, Putian, and Fuzhou. He spoke extensively with Overseas Chinese and friends from abroad and people from various circles.

He fully affirmed the great achievements made by our province in reform and opening up, and encouraged us to conscientiously implement the spirit of the seventh plenary session, summarize experiences, and make more efforts to open our province up to the outside world, and concentrate our efforts on grasping economic work well to strive for success in doubling our gross industrial and agricultural output value.

Li Tieying Attends Meeting in Heilongjiang

SK3101055591 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 30 Jan 91

[Text] A power generating equipment production project in Harbin for the Seventh Five-Year Plan period was officially checked and accepted by the state today. Amid warm applause, Li Tieying, member of the Political Bureau of the CPC Central Committee and state councillor, issued a certificate of acceptance to (Wu Zhongxiang), general manager of the Harbin Group for Producing Whole Sets of Power Station Equipment. Attending today's meeting for the acceptance of the project were Sheng Shuren, vice minister in charge of the State Planning Commission, He Guangyuan, minister of the machine-building and electronics industry, as well as Sun Weiben, Shao Qihui, Li Genshen, Ma Guoliang, Cong Fukui, and Zhang Delin, leaders of the province and Harbin City.

The Harbin Steam Turbine Plant, the Harbin Boiler Plant, and the Harbin Electrical Machinery Plant, which

undertook Harbin's power generating equipment production task, are the key enterprises that were established during the First Five-Year Plan of the state. In 1985, the State Council gave its approval for the three enterprises to carry out technical transformation projects for the Seventh Five-Year Plan period, and invested 300 million yuan. In carrying out the technical transformation projects for the Seventh Five-Year Plan period, the three major motor plants in Harbin tapped their potential and imported, mastered, and applied foreign technology. They optimized and made new developments from the technology imported from the Westinghouse Corporation and the Combustion Engineering Corporation of the U.S. in order to experiment and succeed in producing 300- and 600-megawatt power generating units, making the limited amount of investment turn out fairly large results. Through technical transformation, the three major motor plants of Harbin have increased their overall capacity for producing thermal power generating units from 1,400 megawatts at the end of the Sixth Five-Year Plan period to the present 3,000 megawatts, and they are now capable of producing 300- and 600-megawatt generating units as against 210-megawatt units before the technical transformation. They began to be ranked among the advanced in the large thermal power equipment production enterprises of the world. The first 600-megawatt generating unit they produced has been used safely for more than one year at the (Pingyu) Power Plant in Anhui. Through the technical transformation, the three plants increased their equipment by more than 500 units, imported more than 60 units of advanced equipment from abroad, and expanded their factories by more than 60,000 square meters. During the Seventh Five-Year Plan period, the Harbin Steam Turbine Plant established the capacity for batch production of large key and spare parts of steam turbines by importing large numerical-control processing equipment according to the standards of the 1980's, and established some bases for experimentation, examination, and monitoring. The Harbin Boiler Plant installed a new 8,000-ton hydraulic press and other equipment for producing gas canisters and large pressure containers, and computer-control (curved pipe and bottle) production lines, thereby bringing some of its production technology to the advanced levels of the world. The Harbin Electrical Machinery Plant established and improved its drill processing center for the production of large steam turbines, and an assembly line and three other major production lines. Through the technical transformation in the Seventh Five-Year Plan period, a modern power equipment production base, which has advanced technology and equipment, and a substantial capacity, and which is the largest in China, has taken shape in the three major motors plants in Harbin.

At today's meeting, Li Tieying spoke highly of the success in the technical transformation of the three plants in the Seventh Five-Year Plan period, and urged the staff members and workers of the plants to continue to develop their sense of responsibility as the masters of

the state that the working class should have, and make still bigger strides in the Eighth Five-Year Plan period.

Chen Zuolin Conducts Investigations in Hubei

*HK3001080991 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 27 Jan 91*

[Excerpts] On 15-25 January, Chen Zuolin, deputy secretary of the Central Discipline Inspection Commission, carried out investigations and studies in our province. He successively listened to reports by the provincial Discipline Inspection Commission, and party committees and discipline inspection commissions in Wuhan, Shashi, Yichang, Jingmen, Xiangfan, Jingzhou, Honghu, Jianli and others. He visited factories and rural areas, and held discussions with some factory directors and managers.

In his speeches during his investigations and studies, he fully affirmed the achievements made by our province in promoting stable economic, political, and social development, party building, and discipline inspection work. He stressed: We must further strengthen party style, party discipline, and the building of clean and honest government administration, and solidly implement the spirit of the Seventh Plenary Session of the 13th CPC Central Committee.

Chen Zuolin continued: Persisting in grasping things with two hands is determined by our country's socialist nature in conjunction with summing up historical experiences. Practice has shown that localities and units which persist in grasping things with two hands have made marked achievements in economic construction and the building of spiritual civilization. However, it is difficult for those which fail to get a definite guiding ideology, or to grasp things firmly with two hands to score marked achievements. Even though they have made achievements, it is difficult to consolidate them. Therefore, we must grasp things with two hands persistently. The practice of doing so for a period of time, but relaxing later, is not allowed. We must persist in grasping things with two hands for a long time. [passage omitted]

Comrade Chen Zuolin stressed: Under the new situation of reform and opening up, we must promote the building of our party well, and enhance its combat effectiveness. First, this requires the strict enforcement of the party's political discipline. The entire party must have a united will. Party members must have a unified understanding of the party's ideals, program, purpose, line, guiding principle, and policies. They must fully keep in line with the party ideologically and politically. Second, cadres are a decisive factor, once the political line is determined. Therefore, we must have strict organizations to ensure the implementation of the party's will. Third, The party's nature, ideals, and purpose determine the standardization of party organizations, and party members' behavior as well. This requires the strengthening of the building of party style and discipline. We must persist in and carry forward the fine tradition and work style of the

party to consciously observe party discipline, and various kinds of rules and regulations.

He continued: To grasp party work style and discipline, we must have a correct understanding of the present situation of party discipline. We must know that the main aspects of things are good. Certain unhealthy trends have seriously existed inside the party. Therefore, on the one hand we must inherit and carry forward the fine tradition of our party. On the other hand, we must constantly correct unhealthy trends inside the party. To do so, we must require leaders to take a lead, and set a good example. If each and every unit, and each and every party member can solve his problems, the party work style as a whole and general mood of society can be improved. Correcting unhealthy trends is a long-term task. We can neither complete it once and for all, nor fulfill the task overnight. Discipline inspection organs must make unswerving efforts to continuously give play to and expand positive factors inside the party, curb negative factors, commend the advanced, carry forward a healthy atmosphere, and correct various kinds of unhealthy trends and restrict negative factors to the smallest scope. In conclusion, Comrade Chen Zuolin stressed: Strengthening education in party work style and party discipline, increasing political consciousness of party members, and increasing the consciousness of party members in observing discipline is fundamental work for strengthening party building. Therefore, it is a fundamental and long-term task to educate the broad masses of party members, so that they can consciously foster a proletarian world outlook, and enhance their party spirit.

Public Security Official on Census Registration

*OW3001081791 Beijing XINHUA Domestic Service
in Chinese 1613 GMT 29 Jan 91*

[By RENMIN RIBAO reporter Mao Lei (3029 4320) and XINHUA reporter Zhou Lixian (0719 4539 2009)]

[Text] Beijing, 29 Jan (XINHUA)—Yu Lei, vice minister of public security, said here today: "Strengthening legislative work over census registration and formulating as soon as possible a 'law on census registration' and 'regulations on birth certificates' are necessary for the construction of China's socialist democracy and legal system, as well as the construction of a socialist system of Chinese characteristics for the administration of census registration."

Yu Lei delivered his speech today at the closing of a meeting to sum up work on screening permanent residence registration for the Fourth National Census. He stated: After practicing reform and open policies for more than 10 years, regulations on residence registration which have been implemented for 33 years are found to be very unsuitable to the needs of the new situation. The many successful experiences in the administration of census registration in recent years requires affirmation

by law. The deepening of reform in the census registration system also urgently requires the support of law.

According to our understanding, work on screening permanent residence registration for the Fourth National Census started at the end of 1989 and lasted for half a year. The work laid the foundation and provided guarantees for the world's largest census.

Through screening permanent residence registration, it was found upon inspection that actual domiciles of 69.23 million people differ from where they are registered. Many problems regarding permanent residence registration, a legacy of the past, have now been solved and dealt with.

Through work on screening permanent residence registration, relevant departments have discovered new situations and problems in census registration. For example, some citizens and administrative departments lack sense in carrying out laws and regulations on census registration. The situation whereby people fail to follow the rule to report for new residence registration has become more and more serious. Due to imperfect administrative organs for census registration in our vast rural areas, the situation whereby births are not reported and those who have died or moved away have not been registered for cancellation of residence registration have become more serious. The problem of a transient population which fails to abide by rules and report for temporary residence registration and the phenomena whereby citizens' normal place of residence vary with those of the registered ones have also become more and more prominent.

Yu Lei called on relevant authorities to persist in an attitude of protecting citizens' legitimate rights and interests and shouldering the responsibility of rendering services to socialist economic development, formulating as soon as possible a "law on census registration" that is suitable for China's national conditions. He also called on relevant authorities to focus on studying the drafting of a "regulation on birth certificate," under the circumstances that the system for identity cards of residents have been basically established, so that laws and regulations governing the administration of census registration can be perfected.

Sun Jinxin, deputy head of the State Council's Leading Group for Fourth National Census and director of the group's general office, also delivered a speech at the meeting.

Peng Zhen Writes Name for New Journal

SK3101040791 Beijing BEIJING RIBAO in Chinese
13 Dec 90 p 1

[By trainee Zhai Degang (5049 1795 4993): "'SHI YU FEI' [RIGHT AND WRONG] Begins Publication in January Next Year"]

[Text] With the approval of the State Press and Publication Administration, a monthly journal "SHI YU FEI",

the major purpose of which is to publicize party style and party discipline, will be published and distributed throughout the country beginning January next year.

Comrade Peng Zhen wrote the name for the journal. Li Ximing, member of the Political Bureau of the CPC Central Committee and secretary of the municipal party committee, wrote an inscription for the first issue: "Distinguish Right From Wrong in Ideology in Order To Improve Party Style and Party Discipline."

"SHI YU FEI" is the official journal of the Beijing Municipal CPC Discipline Inspection Commission. Meng Zhiyuan, Standing Committee member of the municipal party committee and secretary of the municipal Discipline Inspection Commission, pointed out in his foreword to the journal: The purpose of this journal is to provide a position for people to study, explore, and distinguish "right" and "wrong" within the party, and then further improve party style and party discipline, and the work of developing honesty and opposing corruption. The characteristic of this journal is that it has definite objects in view, criticizes current malpractice accurately, and adopts a clear-cut stand.

The journal will reveal the investigations and handling of major and serious cases to protect the proper rights and interests of party members and cadres with party membership, reflect the work, study, and life of discipline inspection cadres, and popularize the new experiences in improving party style, party discipline, and honest performance of official duties.

Li Zhijian and Meng Zhiyuan, Standing Committee members of the municipal party committee, attended the news briefing on 12 December.

Governmental Structure To Be Streamlined

HK3101021191 Hong Kong SOUTH CHINA
MORNING POST in English 31 Jan 91 p 10

[By Willy Wo-lap Lam]

[Text] Beijing authorities have revived the ideal of political reform but indicated it would be restricted to the area of streamlining the governmental structure.

The Vice-Minister of Personnel, Mr Zhang Zhijian, said yesterday changes to the governmental structure, particularly of regional and local departments, would account for most of the reform.

Mr Zhang disclosed that a recent survey of 1,200 urban residents showed they cited "streamlining of government structure" as the question that needed to be solved most urgently.

The interviewees also considered as their major concerns raising work efficiency and overcoming the phenomena of bureaucratism.

"Overstaffing and the bloating of governmental structure has spawned bureaucratism and has even brought

about the phenomenon of corruption," the China News Service (CNS) quoted Mr Zhang as saying.

Mr Zhang, who is also Director of the Office of the Commission on the Personnel Establishment of State Departments (CPESD), said the streamlining of the central government offices had been completed last year, and now local-level units had to undergo the same process "to facilitate convergence of work between upper and lower levels".

He said local-level party and government offices were over-staffed by more than half-a-million people.

In its report yesterday, CNS pointed out that the just-concluded seventh party plenum had underscored the need to "enthusiastically implement reform of the political structure" in tandem with economic reform.

The official news agency also cited a 1988 speech by Prime Minister Mr Li Peng, in which he said the reform of the governmental structure was a major component of the reform of the political structure.

The authorities have designated 36 cities and counties in 14 provinces as "experimental points" to test ways to cut down on administrative waste.

Chinese sources say the emphasis and publicity being given to administrative reform is a way to divert attention from real democratisation.

In the mid-1980s, radical reformists, including former party chief Mr Zhao Ziyang, had advocated liberalisation measures including the separation of party and government and the democratisation of the decision-making process.

Since the June 4 crackdown, however, units set up by Mr Zhao's to implement political reform, including the Central Committee's Office for the Reform of the Political Structure, have been dissolved.

Analysts say both the Ministry of Personnel and the CPESD lack the necessary power to carry out even such superficial aspects of political reform as the streamlining of the governmental structure.

They say the news agency's citing of Mr Li's remarks in 1988 seems to be a bid by his supporters to give the credit of political reform to Mr Li rather than Mr Zhao.

Meanwhile, in a speech yesterday to cadres in the "supervisory system", Mr Li stressed the need to promote anti-corruption work.

"The more that the economy is being developed, the more we must work on the construction of clean government and the struggle against corruption."

Media Coverage of Gulf War Said Restricted

HK3001050191 Hong Kong MING PAO in Chinese
29 Jan 91 p 2

["Newsletter From China" by Pu Yi (1580 0001): "Ordered by the Higher Authorities, the Media Craze for the Gulf War Cools Down the Day After the War Breaks Out"]

[Text] How did Beijing react after the Gulf war broke out?

On the first day, the television promptly reported the news by putting a caption on the screen. During the news program, more detailed news and accompanying data were supplied. Even Beijing Television, which usually reports local news, also reported news about the Gulf war and announced that it would report new developments as the occasion demanded. That seemed to be quite lively.

It was different the following day. The Central Station relegated the Gulf war from the main item on the first day to the international news at the end and gradually reduced the number of items. After reporting the news for only one day, the Beijing Station stopped reporting it the next day. The higher authorities reportedly instructed people not to be so energetic.

Some units reportedly received a notice calling on ordinary working personnel not to be so energetic either. They should not organize people to watch television, listen to broadcasts, or talk too much about the war.

Why? Sensitive people have even smelled something from the handling of the news, i.e., news unfavorable to the multinational forces and favorable to Saddam Husayn was frequently placed prominently.

More sensitive people said that, fearing that some people would take advantage of the opportunity to make trouble, the authorities had adopted some measures.

In fact, the Gulf craze has diluted people's attention to the trials. In recent days, not only Wang Dan, Wang Juntao, and Chen Ziming, but also some other people have been tried. Hardly a day has passed without someone being brought to trial. Unlike the last batch of nine people who, according to the announcement, were released or sentenced to imprisonment, the court has gone into recess after the trials this time without passing any sentences. It is possible that sentences will be passed after there are enough people to be sentenced. Ordinarily, Beijing people will not fail to note these developments, but they talk little about them. This naturally has something to do with the government, which has made no attempt to give publicity except for a small trial notice put up at the entrance to the people's court. Since ordinary people know nothing about it, how can they talk?

As for the government fad of publicizing "Longing" [ke wang 3265 2598], it has also cooled down. The overzealous praise in the past seemed feverish, not only astonishing people but also causing a strong aversion

among some people. It was originally a serialized television drama with many shortcomings but worth watching, but, feeling disgusted, some people have simply refused to watch it. Those feeling disgusted are mostly intellectuals. In universities, students mostly talk about the Gulf war and watch the rebroadcast of an old American serialized television drama, "Falcon Crest." The craze for "Longing" anticipated by the authorities has never materialized in universities, and their expectations have turned into disappointment.

A remark circulating among university teachers and students is as follows: "Forging close links with leaders, integrating theory with practical benefits, and practicing praise and self-praise." This is derived from the three important styles of work, namely, "forging close links with the masses, integrating theory with practice, and practicing self-criticism." Now, they have changed the "masses" into "leaders," "practice" into "practical benefits," and "criticism" into "praise"—such being the common practice!

At present, all units are relaying and discussing the guidelines of the CPC's seventh plenary session. Some people say this is a typical example of "practicing praise and self-praise" and the spirit of criticism has disappeared altogether.

Tan Qilong Views Shandong Dance Performance

SK3001123691 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 29 Jan 91

[Excerpts] On the evening of 29 January, the province's (Xiaofeitian) dance ensemble staged a command performance at Jinan's (Lushan) Theater. Viewing the performance were provincial leading Comrades Jiang Chunyun, Zhao Zhihao, Zhang Quanjing, Miao Fenglin, He Guoqiang, Ma Zhongcai, Lin Ping, Song Fatang, and Lu Maozeng. Tan Qilong, member of the Central Advisory Commission, also viewed the performance.

On the invitation of the China Dancers' Association, the province's (Xiaofeitian) dance ensemble will leave for Beijing on 30 January to stage command performances at Zhongnanhai and the Great Hall of the People. [passage omitted]

After the performance on the evening of 29 January, provincial leading comrades went on the stage to cordially shake hands with the little performers as congratulations, and posed for a picture with them.

State Council Issues Rural Health Care Circular

HK3001025291 Beijing CHINA DAILY in English
30 Jan 91 p 1

[By staff reporter Zhu Baoxia]

[Text] The State Council is calling for renewed efforts to develop a rural health and medical care system for China's 800 million farmers.

It has issued a nationwide circular—based on a recent report—which says a comprehensive preventive medical care system should be set up at county, township and village level in a bid to achieve the long-term goal of providing health care for every Chinese by the year 2000.

The State departments which presented the recent report to the central government—the ministries of Public Health, Agriculture and Personnel, the State Planning Commission and the State Education Commission—called on governments at all levels to give the scheme financial and policy priority in their development programmes.

More effective measures must be taken to ensure that a steady body of health workers is maintained in the countryside, they said in the report.

This could be achieved, they suggested, by accepting more rural students into medical institutes. These students would then be sent back to their home towns and villages after graduation in order to help develop professional education among their rural health worker colleagues.

The five ministries and commissions, in their report, praised the old "rural co-operative health care system" which was extensively applied across rural China in the 1950s and 1960s.

This system—staffed mainly by "barefoot doctors" who were chiefly educated urban youths who had been sent to the countryside for reeducation during the "cultural revolution" effectively eased the acute shortage of medical workers in the rural areas.

But the system gradually disintegrated in the 1970s, following the return of the young people to the cities and changes in the rural economic structure.

Information from the Ministry of Public Health indicates there is a widening gap between the medical facilities available in the country's urban areas and those in the rural areas.

Urban residents, who account for about one-fifth of the total Chinese population, are now taking up 52.8 per cent of hospital beds and 55.5 per cent of the country's doctors.

According to statistics, there are 3.01 doctors and 1.9 nurses per thousand people in China's urban areas, but just 0.98 doctors and 0.41 nurses per thousand in the rural areas.

And 13.8 per cent of the country's villages do not have any kind of medical establishment.

The mortality rate of pregnant or lying-in women is 49.9 per 100,000 in cities, a figure that approaches the level of some developed countries, while the rate in rural areas can be as high as 114.9 per 100,000, according to the Ministry of Health.

China Supervision Society Established

OW3001033391 Beijing XINHUA in English
0319 GMT 30 Jan 91

[Text] Beijing, January 30 (XINHUA)—The China Supervision Society was established in Beijing on Tuesday.

The society, a non-governmental organization, will engage in studies of supervision, and will promote related academic activities.

Studies will be undertaken concerning the theories of supervision, in order to establish a theoretical system of supervision with Chinese characteristics, and to promote the administrative work of supervision. The society will actively promote co-operation with foreign organizations concerning academic activities.

A draft constitution was adopted at the society's inauguration meeting, and Xu Qing was elected president of the 126-member council.

Commentator Urges Intellectuals To Contribute

HK3001151291 Beijing RENMIN RIBAO in Chinese
26 Jan 91 p 1

[Commentator's Article: "Bring Up High Quality Personnel"]

[Text] The CPC Central Propaganda Department, the State Education Commission, the State Council's National Academic Degree Committee, and the Ministry of Personnel decided to commend a group of master and doctor degree holders, returned students from abroad, and excellent university graduates who made outstanding contributions to China's socialist construction. The party central leadership and the State Council attached great importance to this event, and the central leading comrades attended the commendation meeting and cordially met with comrades who attended the meeting. The meeting manifested the vivid situation in which the new generation of intellectuals in our country was rapidly growing, and also manifested the loving care and expectations of the party and the government for the intellectuals, especially for young and middle-aged intellectuals.

Comrade Deng Xiaoping said: The key to the realization of modernization lies in science and technology, and the foundation lies in education. All this cannot be separated from the cultivation of talents. In order to build a socialist country with Chinese characteristics, we must maintain the spirit of independence and self-reliance, and should rely mainly on training all kinds of professionals needed at all levels inside our country. In the last 10 years, higher education in our country has developed vigorously. We have built up an integrated degree-giving system and a whole set of bases for bringing up professional personnel. They have provided more than 3 million university graduates, nearly 15,000 master degree holders, and nearly 5,000 doctor degree holders to

various fronts in socialist construction in this period. In order to absorb advanced science, technology, and management methods, our country dispatched students to more than 70 countries and regions in this period, and more than 50,000 students have completed their studies and have returned to China in order to participate in the motherland's construction. Being led and guided by the intellectuals of the older generation, most of them have been working hard and making progress, and have made important contributions in the aspects of production, scientific research, teaching, and management. They are growing into a backbone force on all fronts. The comrades who were commended this time are the outstanding representatives of our country's new generation of intellectuals.

The socialist system's immense superiority provided the fundamental guarantee for the cultivation of a large number of high-quality professional personnel. The great cause of building socialism with Chinese characteristics has opened up a broad scope for them to display their talent and wisdom. The party and the government have made consistent efforts to create favorable study conditions and working environment for them. More than 1,000 comrades who were commended this time embodied the emergence of the new generation of outstanding professional personnel. Their deeds of carrying forward the glorious tradition of the older generation of intellectuals, working hard, and bravely conquering the peaks of science and technology once again showed that the high-quality professional personnel trained and brought up under the socialist system can make remarkable achievements that attract world attention. People who stubbornly stuck to the position of bourgeois liberalization said that socialism could not bring up excellent people, and even if there were such people, their talent and ability would not be brought into full play. This was a distortion and slander. The above-mentioned facts can give them the best reply.

The comrades who were commended this time gave out the radiance of the ideas of patriotism, collectivism, and socialism. Their experiences embody the course of the growth of new intellectuals. They hold a lofty ideal, closely link their personal future with the motherland's destiny, and have a strong sense of commitment to the motherland's regeneration. Many returned students responded to the motherland's call, gave up the affluent living conditions abroad, and returned to serve the motherland. Their deeds show that in order to accomplish something in their personal career, intellectuals must take the road of identifying themselves with workers and peasants and firmly participating in practice. Thus, they will be able to seek truth, enrich their knowledge, increase their ability in the course of understanding and transforming the world, and to fulfill their own values while making contributions to society. Their experiences will enlighten all young people who aspire to achieve professional qualification.

In the cause of revolution and construction under the CPC's leadership, intellectuals always form a vigorous

contingent. The "CPC Central Committee's Proposal on the Formulation of the 10-Year Program for National Economic and Social Development and the Eighth Five-Year Plan" adopted by the recent 13th CPC Central Committee's Seventh Plenum forwarded the objectives and strategic tasks for the next 10 years. The coming decade will be a crucial period in the historical process of our country's socialist modernization, and intellectuals will shoulder a major historical mission. The party and the state pin ardent hopes on intellectuals. In the future, some 500,000 to 600,000 university graduates and about 30,000 doctor and master degree holders will take on work posts. A large number of students will successively complete their studies abroad and return to the motherland. This vital new force will play an important role in our country's modernization construction. All patriotic intellectuals should establish a strong sense of commitment and responsibility, shoulder the major mission of the times, follow the example of the outstanding intellectuals, and selflessly dedicate their energy and talent.

At present, our country's political and economic situation is good, but quite a few difficulties and problems still exist. There remain some deficiencies in our work related to intellectuals. We should make efforts to create a good atmosphere of respecting learning and respecting people of learning in the whole party and in society, should improve our work in all fields, improve intellectuals' working and living conditions, and should create a better social environment for the growth of the professional personnel and for bringing the role of intellectuals into full play. The Chinese people and intellectuals have high aspirations, and our socialist motherland will have a bright future. We believe that as society's valuable wealth, our intellectuals will certainly join the whole people throughout the country to overcome difficulties and make advances under the CPC's leadership, and make great contributions to the great cause of regenerating China.

Article on Population, Economic Growth

HK3001102891 Beijing LIAOWANG in Chinese No 52, 24 Dec 90 p 3

[Article by Chen Jian (7115 0494): "Bring About Coordination Between Population Growth and Economic Development"]

[Text] The recently announced fourth census suggests China's marked achievements in family planning in the 1980's, but the situation in its population growth still remains grim. In the 1990's, it still remains arduous to steadily and effectively pursue the population policy and coordinate between population growth and economic development.

According to census statistics, the child-bearing rate and birthrate of Chinese females and the natural population growth rate of the country are lower than the average levels of developing countries. The people's concepts about marriage and child bearing have changed. More

and more people understand that the quality and quantity of children have a direct bearing not only on the family's interests and happiness but also on the prosperity of the country and the people. The habits of planned birth, late marriage, raising few children, and optimal breeding is taking shape in the country. In addition, there have been improvements in life expectancy and scientific and cultural levels following the development of the economy, culture, education, sports, and public health. These conspicuous changes are expressions of social progress for the last 10 years and are also the results of the party's and society's efforts to practice family planning and improve the people's quality.

We should also admit that our country is facing a grim situation in population growth. The Eighth Five-Year Plan, which will start next year, will see the third peak of China's birthrate. Females of child-bearing age, namely from 15 to 49 years old, will number 322 million each year, an increase of 8.1 percent over the Seventh Five-Year Plan. Females from 20 to 29 years old, ages of vital birth, will number 122 million each year, an increase of 16.2 percent over the Seventh Five-Year Plan. In addition, the development of China's family planning is imbalanced. According to statistics, from 1 July 1989 to 30 June 1990, only five provinces and cities registered natural population growth rates under 10 per thousand, whereas the natural population growth rates of 10 provinces and regions were over 17 percent. In particular, provinces with 50 million people registered natural growth rates over 24 percent. All this suggests that China's population growth does not correspond with its political, economic, and social development.

This rapid population growth is really a heavy burden on a country like ours, which is economically and culturally backward and started its modernization a little late. So far, China has only basically solved the problem of adequate food and clothing, with per capita possession of scarcely 400 kg of grain. Based on an annual population growth rate of 15.6 million in the 1980's, the country has to annually produce about an additional 6 billion kg of grain to maintain the present per capita grain level. In particular, our cultivated land accounts for only 7 percent of the world's total, and our per capita possession of cultivated land is hard to expand. For some years, the per capita possession of cultivated land was even reduced. Even with a good grain harvest each year, it will still remain a problem to keep the per capita possession of grain at 400 kg. In other words, without effective control of population growth, we will not be able to get rid of the contradiction between population growth and grain production.

The 1990's is a period for China to move from the level of adequate food and clothing to the level of certain prosperity. The development of many countries suggests that after a country steps beyond the level of adequate food and clothing, its per capita income will increase in a sustained way and the people's spiritual and material demands will expand without restraint. These demands

will occur simultaneously. There are signs indicating the emergence of this problem in China. Following an increase in the population, the state has to withdraw a large portion of money from national income to ensure that the people's standard of living does not drop. An estimate by the relevant departments reveals that the annual increase in the Chinese population consumes about 20 percent of the increase in national income. In 1987, over 35 percent of the increases in grain and meat production, of hospital beds, and of newly built houses were used for the population increase. Based on this growth rate, the contradiction between aggregate supply and demand will aggravate if aggregate supply ability does not improve by a wide margin. Therefore, the contradiction between aggregate supply and demand China is facing is, to a large extent, caused by the increase in population, rather than by economic factors alone.

The relation between population growth and economic development is not a simple one characterized by a drop in the standard of living because of an increase in population. A large population and weak productive forces will cause many social problems, such as a shortage of transportation facilities, environmental pollution, and the destruction of ecological conditions, all holding back the national economy's development and affecting social stability and development.

The 1990's is a key decade for China to materialize its socialist modernization strategy. During these 10 years, we should seriously regard family planning as a basic state policy. We should take serious account of family planning work, as we do economic development. In the course of stabilizing and implementing the family planning policy, we should also sum up and popularize good experiences in population control, such as those in carrying out the responsibility system on the management of population quotas; carrying out old age pension insurance business in rural areas, displaying the role of all circles; increasing human, financial, and material investments in family planning work; strengthening the grass-roots family planning network; and improving the quality of personnel engaged in this work. All kinds of measures should be taken to control an excessive population growth.

Family planning work involves not only millions of families but also various departments in society. It is wrong to look upon family planning work as a job involving females alone or that concerns public health departments alone. Family planning is a task requiring arduous efforts. To fulfill this task, it is necessary to form a family planning contingent with a high sense of responsibility and rich experience and to activate close cooperation between different departments in society. In particular, when this work contradicts the interests of some departments, these departments are required to take the interests of our society into account, to make some necessary sacrifices, and to support this work. Only when concerted efforts are made in all fields, a social environment and public opinion are created for family planning,

and all kinds of socioeconomic policies are carried out to control birthrates will it be possible to achieve effective results in population control.

Doing a good job in population control in the 1990's and bringing about coordination between population growth and economic development remains an arduous task. As long as party and government cadres at all levels take serious account of this work and the people across the country are mobilized in concerted efforts, greater achievements will be made in population control in the 1990's.

Science & Technology

Song Jian at Meeting To Develop Dabie Shan Area

OW2701185091 Beijing XINHUA Domestic Service
in Chinese 1347 GMT 27 Jan 91

[By reporter Jiang Zaizhong (1203 0375 1813)]

[Text] Wuhan, 27 Jan (XINHUA)—During the period of the Seventh Five-Year Plan, over 95 percent of the poor families in the Dabie Shan area—a place which contributed significantly to China's revolution—solved their food and clothing problems and embarked on the avenue of relying on science and technology to become better off. This was learned by this reporter from the fifth meeting which opened here today to report on the work of economic development in the Dabie Shan poverty-stricken area and to give commendations to those with outstanding performance in doing this work.

The Dabie Shan area consists of 34 counties and cities of Hubei, Henan, and Anhui Provinces. All were in a poor and backward state in the past. Thanks to the concern of the party Central Committee and the State Council, work of aid to the poor was unfolded here by the State Science and Technology Commission together with other pertinent departments during the Seventh Five-Year Plan period. Instead of providing relief, the work of aid to the poor was in the form of promoting local development by applying successful science and technology research results. Guided by a host of preferential policies, the local people were able to give full play to science and technology in developing the economy of this old revolutionary base area. In Hubei Province, from the very beginning, the work of using science and technology to help the poor has produced very conspicuous results. The total value of industrial and agricultural production for Hongan, Macheng, Yingshan, Luotian, and Dawu, located in the Dabie Shan area, soared from 1.457 billion yuan in 1985 to 2.828 billion yuan in 1990, registering a 94.1 percent increase during this period or an average annual growth rate of 14.2 percent. This was higher than the province's average growth rate for the same period.

The 12 counties and cities of Henan Province located in the Dabie Shan area took advantage of their natural resources, closely relied on science and technology, and

developed regional pillar industries and large-scale economic projects as a way to make breakthroughs in solving the food and clothing problems of the local masses. In a span of five years, they carried out more than 100 "spark plans" and "bumper-harvest programs." In 1990, their average per-capita income was about 400 yuan, compared with 228 yuan in 1985, an increase of 74 percent. The total product of their society amounted to 2.8 billion yuan, more than double the 1985 figure.

Anhui Province has 17 poor counties located in the Dabie Shan area. Since the commencement of the work of using science and technology to help the poor, some 2,000 scientific and technological personnel have gone to these mountain counties to spread technological know-how. More than 30 of them have assumed the posts of deputy county heads in charge of science and technology, and over 200 projects have been carried out. These 17 poor counties scored an average per-capita income of 340 yuan in 1990, an increase of 34 percent compared with 1985.

During the Eighth Five-Year Plan period, the state will continue to strengthen the work of helping the poor in the Dabie Shan area. Through further reform and opening-up work, efforts will be made to assist this poor mountain area in developing market-oriented pillar industries suited to the area on the basis of science and technology. The purpose is to help the local people to cast off poverty and become better off after solving their food and clothing problems.

Song Jian, state councillor and minister in charge of the State Science and Technology Commission, attended today's meeting.

Article Reports Interview With Satellite Expert

HK1701012191 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 51, 17 Dec 90 pp 4-6

[Article by Chen Zhiqiang (7115 2535 1730): "Achievements and Prospects for the Application of Chinese Manufactured Satellites—Interviewing Min Guirong (7036 2710 2837), President of China Research Institute of Space Technology"]

[Text] When Chinese manufactured application satellites initially distinguished themselves during "the Seventh Five-Year Plan," they reaped tremendous socioeconomic results that could not have been foreseen with traditional view. Application satellites and the application of satellites promptly caught China's top decision-making echelon's attention, and won its support.

How did Chinese manufactured satellites, which were played down as being "political white elephants," suddenly become a popular target among national economic departments, while being lauded as a "booster" of economic results in the national economic construction? To find an answer to that question, this reporter recently

interviewed Min Guirong, president of the China Research Institute of Space Technology.

The 57-year-old Min Guirong is a graduate from the Kinetics Department, Nanjing Industrial Institute, and acquired an MS degree in heat transfer from the Kinetics Research Institute, USSR Academy of Sciences. After acquiring his academic degree in the USSR, he returned to China in 1963, and has since engaged in the technological research of heat control of Chinese-made satellites. While fulfilling the research, development, and launches of satellites in various categories, Min Guirong wrote, translated, and edited a series of books, including "Heat Control of Spacecraft" and "A Handbook on Astronautic Engineering," while becoming a world-famous expert in astronautics.

Min Guirong, who has some 20-year experience in satellite research, has a perfectly clear picture of the development and application of Chinese satellites. He pointed out that the great change in people's understanding in the role of Chinese satellites is due chiefly to their various developing phases. China has succeeded in the research, development, and launching of 28 satellites since its first successful launch in April 1970. The 20-year progress can be largely divided into two phases, namely, the 1970's being the satellite exploring and experimental phase, and the 1980's being the satellite experimental and application phase; the two phases spanned the "Sixth Five-Year Plan" and the "Seventh Five-Year Plan." During the "Seventh Five-Year Plan, China's telecommunications and broadcast satellite in static orbit, meteorological satellite in synchronous solar orbit, and retrievable low-altitude remote control satellite entered the application arena in a comprehensive way directly promoted the great change in people's understanding.

Marked Results in the Application of Telecommunications Satellites

In whichever corner in China, when people sat by TV sets watching the Asiad scenes, they might not have thought that it was China's own communications satellite that was transmitting the broadcast.

"The application of Chinese-made telecommunications satellite has its own characteristics." In his briefing, Min Guirong said, the first experimental telecommunications satellite China successfully launched in April 1984 linked technological experiment to practical application, and resolved television transmission problems to such remote border areas as Urumqi, Lhasa, Kunming, and overseas at one go; that has rarely occurred in other parts of the world. In 1986, China's relevant departments utilized the transmitter on the first experimental telecommunications satellite successfully launched in February the same year to put through the Beijing-Urumqi, Beijing-Lhasa, Beijing-Kunming-Chengdu-Beijing-Lhasa, and Lanzhou-Beijing-Urumqi telecommunications lines, while providing long-distance digital circuits for relevant units under the XINHUA NEWS

AGENCY and the State Seismological Bureau. Relying on that satellite, the Ministry of Water Resources and Electric Power put through the Beijing-Nanning, Beijing-Chengdu, Beijing-Guangzhou, and Guangzhou-Nanning telephone lines, while resolving many bottlenecks in power dispatch. The Central People's Broadcasting Station overseas operation through the satellite also expanded from 15 to 30 channels.

The year 1988 saw the successful launches of two application telecommunications satellites. One carried four transmitters, which have been used to relay two programs of the China Central Television Station, and TV programs of Tibet, Yunnan, Guizhou, and Xinjiang; the other also carried four transmitters used to relay one to three educational programs and data transmission of the Central People's Bank of China.

The fourth application satellite, launched successfully in February 1990, has already been delivered for use of relevant departments.

In short, five Chinese manufactured telecommunications satellites successively have enabled China's telecommunications, television, and radio broadcast undertakings to transcend the traditional developing phases, and realized nationwide coverage at one go, bringing substantial benefits to people of all nationalities throughout China.

To push forward the satellite application development, the state allotted special funds in support of experiments on satellite television broadcasts, while presenting 53 television receive-only stations [dian shi dan shou zhan 7193 6018 0830 2390 4541] to former revolutionary base areas, minority nationality regions, and border areas as gifts. **Within a few years, the number of television receive-only stations has drastically risen to some 10,000 nationwide.**

In the course of developing Chinese telecommunications satellites, relevant departments in China have leased foreign telecommunications satellites to ease supply-demand contradictions.

When speaking of the applications of telecommunications satellites, Min Guirong cited an example saying, to find a solution to teachers' nine-year obligatory training, the State Education Commission initiated a special educational program through a Chinese-made satellite. This alone has cut back expenditures of 1 billion yuan from traditional group training. The Modern Educational Research Center, Beijing Teachers' University utilized a satellite line to transmit graphs, static video pictures, voices, and documents to conduct two-way television education and satellite academic teleconferences with Canada. That was a helpful attempt to unfold Chinese satellite teleconferences, long-range satellite education, and information exchanges.

In long-distance telephone operations, approximately 2,000 satellite lines have already been put through nationwide. Presently, China is building medium-type satellite telecommunications earth reception stations in

various major large and medium cities. It is estimated that between 7,000 and 8,000 satellite lines will be put through in 1991. By then, satellite telecommunications will have shaped into a national network with major cities as centers, and become one of China's major telecommunications means of long-distance trunk.

The Application of Meteorological Satellites Is on the Ascendant

China's first polar orbit meteorological satellite "Fengyun I" was successfully launched in 1988; it transmits clear and sharp pictures and has the capability of observing targets on the earth which could hold a candle to foreign advanced meteorological satellites, with the expected result of completing the remote sensory meteorological experiment. Last September, China succeeded in launching its practical meteorological satellite with marked socioeconomic results. **Today, cloud pictures photographed by the Fengyun I meteorological satellite are not only received and used by the United States, West Europe, Australia, Hong Kong, Taiwan, and Pakistan but also become an indispensable content of the Central Television Broadcast Station's evening newscast.**

In his briefing, Min Quirong said, to meet the "four modernizations" needs, China has unfolded work by utilizing data from international meteorological satellites as well as Chinese manufactured meteorological satellites. **As a result, losses due to storms, floods, and fires have been greatly reduced, with outstanding contributions made to improve people's production and living environments.**

China is located in the west Pacific region, one that is most attacked by tropical storms in the eight major sea areas in the world. In the past, China was restricted by its maritime observatory means, and had no way to accurately tell the time, place, and moving direction of a typhoon. Since China founded its meteorological satellite data reception and processing system, it has greatly improved the quality of reducing natural calamities. Chinese meteorological departments are now capable of successfully monitoring all typhoons emerging in the northwest Pacific. It is learned that approximately seven typhoons struck China every year, with each typhoon forecast reducing losses in terms of 150 million yuan; thus, losses involved in typhoons will be cut back by more than 1 billion yuan each year.

China has many rivers, with each having its own hydrologic conditions, and floods and waterlogging are frequent. Based on the State Flood Control Headquarters' arrangement, the State Meteorological Administration's satellite meteorological center has, since 1988, monitored flood and waterlogging conditions of the Chang Jiang, Huang He, Huai He, Hai He, Liao He, Zhu Jiang, and Songhua Jiang, the areas where inundation have always been serious, with satisfactory socioeconomic results. In July 1989, torrential rain fell in the middle and southern parts of Jiangxi's Yichun on five consecutive days. Meteorological departments' weather forecasts said that the rain volume in the next six hours would not

exceed 15 millimeters based on satellite data of cloud pictures. According to the forecast, the local flood control office decided not to conduct flood diversion at Quangan for the time being; this decision avoided the loss of rice crops planted on some 200,000 mu of land in the floodwater-storing area.

Preventing forest fires is an important topic for forestry departments. Each year, forest fires incur more than 100 million-yuan worth of losses to China. Since 1985, Chinese meteorological departments have monitored forest and prairie fires on the strength of satellite data, monitoring some 5,000 fire sites.

Monitoring iceberg movements on the seas on the strength of meteorological satellite data is an additional work for Chinese satellites to help reduce natural disasters. Last January, icebergs endangered two major Bohai Petroleum Company oil-drilling boats. The said company safely evacuated the boats based on the pictures and relevant information regarding an oncoming cold wave provided by a satellite meteorological center, saving scores of millions of yuan worth of imported equipment.

The Great Potential of Retrievable Satellites

Retrievable satellites are the application satellites which China has launched in the greatest number, used the earliest, with rather high social effects and economic results. Of the 28 satellites China has successfully launched, 12 fall into this category.

China has two types of retrievable satellites. One type is applied to the general survey of territory resources, the ground distinguishing rate of satellite photos far exceeds the scanning graphs of foreign earth and meteorological satellites. The other type is photographic surveying satellites, the area covered by every satellite photo is 140 times that of aerial ones; and the area covered by the camera in every orbital flight is twice that of China's territory. This brought about a qualitative leap in China's mapping technology. Relevant experts believe that China's technical know-how has joined the world advanced ranks.

The application of satellite photos has changed China's traditional pattern of geological survey; regarding which a single satellite photo is capable of covering an area of 16,000 square kilometers, a single person is capable of completing the initial reading of the photo and an explanatory sketch in three days, whereas the traditional survey would involve the work of 30 people over three years. Even aerial surveys would take several months with 30 people working at the same time. The geological maps of the Qinghai-Tibet Plateau, southern Xinjiang area, and Taiwan in particular can be completed only by relying on satellite photos. In 1978, China saved some 3 million yuan in surveying county-level land reserves in Tibet Autonomous Region alone, with Tibet's land resources survey taking the lead in the whole country.

In petrol geological surveys, Chinese satellite photos have provided voluminous geological data which are difficult to discern and understand. They have recorded the earth surface structural characteristics, and deduced underground geological structures at a certain depth through voluminous data on the earth's surface, which is important to gaining new knowledge of the geological background of old mining areas, especially the background of thermal power's in-depth geological structure and excavating new mine-finding signals. Utilizing data provided by a territory-surveying satellite, relevant departments discovered a new coalfield with a coal seam 40 meters in depth and a deposit around 3.4 billion tons in Inner Mongolia's Wunite [3527 1441 3676] Basin, and four new oil layers in the Karamay Oil Field northwest of Xinjiang's Jungar Basin, and scored satisfactory results in finding mineral ore beds in Inner Mongolia.

Retrievable satellites have also provided riding service for Chinese and foreign scientists in their scientific research in 134 projects of microgravity in experimenting on materials and microbes under microgravity conditions with satisfactory results.

Min Guirong pointed out that, examples of retrievable satellite applications are far too numerous to cite, and can be described only in language of generalization, namely, "the remote sensory data provided by retrievable satellites have been extensively applied to such arenas as territorial survey, petrol survey, railway line selection, ocean coast mapping, mapping, geological survey, site selection of power station, earthquake prediction, survey of grassland and forest zones, and archaeological survey of historical relics, with great socioeconomic results accomplished.

Blueprint for Chinese Satellite Development in the 1990's

Viewing the prospects of Chinese-made satellites, Min Guirong said: **China's application satellites and the application of satellites have great potentials, with many arenas remaining virgin soil. Just as experts indicated, foreign application satellites fall into 27 categories, while Chinese-made satellites fall into only four or five categories. To meet the needs of the development of national economy and modernization, the varieties of Chinese satellites will be greatly increased in the 1990's than the 1980's, and the capacity of information provided by satellites will be increased 100 times.**

Then, Min Quirong described the following blueprint to this reporter: Based on the needs of doubling the 1990's gross national product [GNP] based on the GNP toward the end of the 1980's, in developing Chinese application satellites and the application of satellites, priority will be given to the following arenas in their development:

1. Satellite telecommunications and broadcast systems. To find a solution to the backwardness of China's education and shortage in telecommunications means, China will develop telecommunications and broadcast satellites of large capacity,

high power, multiple beams, and long duration. In the spectrum, there will be C band as well as Ku and L bands with wider application to acquire more extensive frequency allocations to meet the needs of television education, fixed and moving telecommunication as well as various figures, sounds, and television broadcast transmission. When "Dongfanghong III," the telecommunications and broadcast satellite in research and development, is used, it will provide effective means for the nationwide multitiered satellite television education to promote the popularization and elevation of China's education while playing an active role in improving the means of telecommunications and broadcast.

2. Satellite transportation and communications control system. Transportation and communications are the national economy's lifeline, and the fourth material production department. The actual conditions of China's transportation and communication are a small transportation network, low efficiency, and gravely overloaded conditions of passenger trains with railway transportation in Beijing the key. The volume of funds involved in goods being transported is an average annual 54 billion yuan. Because of insufficient transportation capacity, the situation by which freight is kept in stock is grave. The unloaded truck driving rate is 47.9 percent, incurring an annual loss of 5.9 billion yuan. If a satellite communications and transportation control system is developed, large-scope scientific operations and the dispatch of multiple maritime, land, and aerial transportation apparatuses will be conducted on vast areas, while providing operational speed and efficiency. Take railway transportation for example, improving the trains' running speed and interval 10 percent would mean building several thousand km of new railways nationwide, and saving freight circulation funds in terms of approximately 10 billion yuan annually.

3. A satellite natural calamities prevention and rescue system. China's geographical environment is complicated, with natural calamities in every description attacking her almost every year. According to statistics, losses thus incurred every year amount to an average 50 billion yuan. The building of a natural calamity prevention and rescue system comprising satellites of several categories will greatly improve the capability for disaster prediction, in addition, once a natural disaster takes place, command and rescue will be promptly organized.

4. Satellite environmental resources system. China's per capita possession of arable land, forest, fresh water, and mineral resources is far lower than the world average level. To find a solution to the contradiction between population and resources and rationally utilize existing resources, the exploitation and utilization of the resources satellite system is a pressing need. China is accelerating meteorological and resources satellites in various categories of contemporary world level. Meteorological satellites are divided into solar synchronous orbit and earth static orbit types. The resources satellite researched and developed in Sino-Brazilian joint efforts is expected to be launched during the "Eighth Five-Year Plan."

5. The exploitation of microgravity resources in space. The utilization of spacecraft's zero gravity environment to conduct research, production, and growth of materials and microbes will acquire good-quality materials and matters, including semiconductor materials, optical materials, special alloys, and peculiar medicine, which are unavailable on earth. Results in these arenas are of very high economic and scientific value. In recent years, China has scored plenty of results in experiments on microgravity, some of which are of world advanced class. Therefore, from the angle of necessity and possibility, the research and exploitation of microgravity resources are one of the developing trends of China's application of space technology.

Table of Chinese Application Satellite Launches

Order	Date of Launch	Name of Satellite	Carrier Rocket	Place of Launch	Result
1.	26 Nov 75	retrievable remote sensory	Long March II	Jiuquan Launch Pad	successful
2.	2 Dec 76	retrievable remote sensory	Long March II	Jiuquan Launch Pad	successful
3.	26 Jan 78	retrievable remote sensory	Long March II	Jiuquan Launch Pad	successful
4.	9 Sep 82	retrievable remote sensory	Long March II	Jiuquan Launch Pad	successful
5.	19 Sep 83	retrievable remote sensory	Long March II	Jiuquan Launch Pad	successful
6.	8 Apr 84	experimental tele-communications	Long March III	Jiuquan Launch Pad	successful
7.	12 Sep 84	retrievable remote sensory	Long March II	Jiuquan Launch Pad	successful
8.	21 Oct 85	retrievable remote sensory	Long March II	Jiuquan Launch Pad	successful
9.	1 Feb 86	practical tele-communications, broadcast	Long March III	Xichang Launch Pad	successful
10.	6 Oct 86	retrievable remote sensory	Long March II	Jiuquan Launch Pad	successful
11.	5 Aug 87	retrievable	Long March II	Jiuquan Launch Pad	successful
12.	9 Sep 87	retrievable experimental	Long March II	Jiuquan Launch Pad	successful
13.	7 Mar 88	practical tele-communications	Long March III	Xichang Launch Pad	successful
14.	5 Aug 88	retrievable	Long March II	Jiuquan Launch Pad	successful

Table of Chinese Application Satellite Launches (Continued)

Order	Date of Launch	Name of Satellite	Carrier Rocket	Place of Launch	Result
15.	7 Sep 88	experimental meteorological	Long March IV	Taiyuan Launch Pad	successful
16.	22 Dec 88	practical tele-communications	Long March III	Xichang Launch Pad	successful
17.	4 Feb 90	practical tele-communications	Long March III	Xichang Launch Pad	successful
18.	3 Sep 90	experimental meteorological	Long March IV	Taiyuan Launch Pad	successful
19.	5 Oct 90	practical tele-communications	Long March III	Xichang Launch Pad	successful

Note: Since China successfully launched its first satellit, "Dongfanghong I in April 1970, it has successfully launched 28 satellites, of which 19 were application satellites. During the "Seventh Five-Year Plan," the 11 application satellites China launched entered the arena of national economic construction in a comprehensive way, and has become the "booster" of economic results in national economic construction.

Three Nuclear Reactors To Go Into Production

OW2701034991 Beijing XINHUA in English
0221 GMT 27 Jan 91

[Text] Beijing, January 27 (XINHUA)—China will put three nuclear reactors into production in the three years from 1991 and expects a nuclear power capacity of 2.1 million kw by the year of 1993.

Li Yingxiang, spokesman for the China National Nuclear Corporation, told XINHUA today that a 300,000-kw nuclear reactor, the first phase of project in the Qinshan Nuclear Power Station in Zhejiang Province, was now under a comprehensive review of the quality and expected to be put into production this year.

"It will be the first nuclear reactor in operation in China," Li said, "we prefer spending much time in the comprehensive review of the quality before putting it into production in order to guarantee 100 percent safety." [sentence, punctuation as received]

Two 900,000-kw nuclear reactors in the Daya Bay Nuclear Power Station in Guangdong Province will go into operation in 1992 and 1993, respectively.

Moreover, China has planned to build another 300,000-kw and four 600,000-kw nuclear reactors as the second and third phases of project in the Qinshan Nuclear Power Station.

China has also decided to build a nuclear power station in Liaoning Province with two million-kw nuclear reactors to be imported from the Soviet Union.

According to the China National Nuclear Corporation, China planned to complete these nuclear power stations by the end of this century.

Military

Jiang Zemin's Attitude on Defense Lauded

HK3001134191 Beijing JIEFANGJUN BAO in Chinese
1 Jan 91 pp 1, 2

[Report by Cao Bin (2580 2430) and Han Shengbao (7281 0524 1405): "Comrade Jiang Zemin Showed Great Concern for Defense Building While He Was in Shanghai"]

[Text] More than a year has elapsed since Jiang Zemin left Shanghai to assume the office of party general secretary. Nevertheless, his fine style of showing concern for building the Army and national defense reserve forces spread across the Huangpujiang and within and outside the barracks.

The Shanghai masses say that General Secretary Jiang played an important role in improving Army-government and Army-people relations in Shanghai.

The officers and men in Shanghai say that Chairman Jiang has always paid close attention to Army building. Our hearts were linked together long ago.

As a leader with foresight and sagacity, who has the whole situation under his control, Jiang's concern for national defense building proceeded from the general interests of the state. Although he had many tasks to perform while assuming the offices of municipal party secretary and mayor, Comrade Jiang Zemin threw all his energy into building the Army and the national defense reserve forces.

"National Defense Education Should Be Brought Into Line With the General System of Ideological Education"

The mouth of the Chiang Jiang, 1 August, 1987.

Comrade Jiang Zemin led more than 100 leading comrades from the Shanghai Municipal CPC Committee, Advisory Commission, Discipline Inspection Commission, People's Congress, Chinese People's Political Consultative Conference [CPPCC], and Armed Committee to the Wusong Fort, a renowned fortification at home and abroad, where national hero Cheng Huacheng resisted the British Army during those years and an important theater in the battle of Songhu, to conduct education in national defense. After listening to an account of Shanghai's strategic position given by leaders of the Shanghai Garrison Command, they watched the military exercise performed by the militia. Full of zest, they arrived at a certain Navy unit, boarded a vessel, and spent an unforgettable day with the Army.

To deepen national defense education, it is necessary to first increase the sense of national defense in leading cadres. Proposed by Comrade Jiang Zemin, the Shanghai Municipal CPC Committee Standing Committee decided to continue the system of "one-day activity in barracks," allowing thousands of cadres from the whole municipality, at and above the bureau level, to experience Army life within a few years so that they could deepen their understanding of the Army, realize

the truth "although tranquility prevails, we cannot forsake national defense," and show more concern for, cherish, and support Army building.

When Comrade Jiang Zemin was transferred to Beijing, Shanghai's "one-day activity in barracks" continued.

On the eve of 1 August 1989, Shanghai Secretary and Mayor Zhu Rongji led 116 bureau level cadres to the "Good 8th Company in Nanjing Road." With great interest, they saw the routine tasks of the 8th Company and watched the 3 km cross-country, obstacle armed operation performed by officers and men of the company. They saw the officers and men pass single-plank bridges, climb "artificial walls," leap over trenches, go through wire netting, and crawl through the fields. Everyone was streaming with sweat. Looking at the quick and familiar movements, resolute style, and indomitable spirit, the bureau level cadres gasped in admiration: "Terrific!"

Over the years, more than municipality 10,000 cadres at and above county office level have taken part in the "one-day activity in barracks" or other military activities.

To increase the national defense sense in intermediate and senior level leading cadres, Comrade Jiang Zemin practiced what he preached. During the years he worked in Shanghai, Jiang Zemin always found time to take part in the large scale military activities. From 1988 to May 1989 alone, Jiang and Mayor Zhu Rongji took part in military activities and visited Army units on more than 10 occasions. As proposed by Comrade Jiang Zemin, the Shanghai Municipal CPC Committee set a rule that the Standing Committee would collectively listen to the account of military work given by the garrison command every July. In 1988, the municipal party committee included the sentence "party and government leaders at all levels in the municipality should attach great importance to national defense education work" in the document of the Seventh Plenary Session of the Fifth Shanghai Municipal CPC Committee.

In the national defense education conducted among the people of the whole municipality, Comrade Jiang Zemin paid great attention to education in patriotism and revolutionary heroism to boost the national spirit, improve the residents' qualities, increase their sense of confidence and pride, and contribute to Shanghai's revitalization. To this end, the municipal party committee regarded the concept of national defense as an important basic project in urban ideological education.

At the hall of the municipal party organs on the afternoon of 6 June 1988,

Jiang Zemin, municipal deputy secretaries Zeng Qinghong and Wu Bangguo, Yue Qizheng, head of the organization department of the municipal party committee Standing Committee, Cheng Zhili, head of the municipal party committee Standing Committee propaganda department, and other leaders met with Liu Qi, the "iron

fighter" who had come to Shanghai to receive medical treatment, and asked him to give a report to Shanghai's party cadres.

The organization department of the municipal party committee compiled a pamphlet entitled "Evergreen Tree of Life," introducing the deeds of Liu Qi. They also produced a cassette of his report and distributed it to grass-roots level party organizations throughout the municipality. The Shanghai People's Broadcasting Station also broadcast Liu Qi's autobiography in installments.

Comrade Jiang Zemin contributed an article entitled "National Defense Education Should Be Brought Into Line With the General System of Ideological Education" which was published on the front page of JIEFANGJUN BAO, 25 October 1988. He pointed out: "We should be aware that conducting national defense education nationwide constitutes an important content of the current strengthening and improvement in ideological and political work. It should occupy an important position in the general system of ideological education and should be brought into line with the general system." He also made expositions on resolving the problems of socializing nationwide national defense education and bringing it into line with the general system of ideological education.

The next day, JIEFANG RIBAO, the official newspaper of the Shanghai CPC committee, also reprinted on the front page the full text of Comrade Jiang Zemin's article. Undoubtedly, this gave "impetus" to Shanghai's national defense education.

Over the years, Shanghai's national defense education has been in the ascendant.

More than 200,000 people from all parts of the city have taken part in the national defense education contest; some 900 national defense education reports attracted over 1.5 million people; a total of 1.46 million people watched national defense education videos; more than 800 national defense education fronts of various kinds, including national defense fields, centers to give favored treatment to servicemen's families, military schools for teenagers, national defense education centers, teenage barracks, military teaching buildings, aviation exhibition halls, aeronautics science popularization centers, and military book shops are spread through all parts of the city; and Shanghai's newspapers, periodicals, and mass media have opened various columns, including "National Defense," "Contemporary Servicemen," "Voice of the Army," and "Shining Army Emblem" and carried out large-scale national defense propaganda on six occasions so that the public could receive education through reading newspapers, listening to the radio, and watching television.

The education in national defense is now being transformed into the spiritual wealth of Shanghai residents,

into merit and virtue, into great energy, and into radiance in the modernization program and China's revitalization.

The "game" of national defense education is well played in Shanghai and Comrade Jiang Zemin had a key role in devising strategies.

"Cherish Army-People Unity as You Cherish Your Eyes"

While working in Shanghai, Comrade Jiang Zemin paid close attention to Army building. He often exhorted "members of a squad" to: Realize Shanghai's important position in the country's economic construction and its essential role in national defense building; never forsake the fine tradition of Army-government and Army-people unity handed down by General Chen; and to cherish Army-people unity as they cherish their eyes and keep them safe from dust.

At the Enlarged Shanghai Garrison Command CPC Committee meeting on 4 January 1988, Jiang pointed out: "Maintaining Army stability can play a guarantee role in maintaining the stability of Shanghai's society as a whole. At the most difficult periods, we have always regarded the Army as a great backing."

"As the saying goes: 'If the Army and the people are united as one, who in the world can match them.' In my opinion, this is a truth. Our Army will be invincible when Army comrades are united with those from the localities."

When Comrade Jiang Zemin assumed the office as Shanghai party secretary and mayor, the municipal party committee and government did many practical things for the troops garrisoned in Shanghai and family members of the servicemen.

In 1986, the municipal government designated 2,000 square meters to build residential houses for Army cadres transferred to civilian work; allocated over 3 million yuan to build the Second Military Medical University barracks and designated 7,000 square meters to the Changzheng Hospital under the Second Military Medical University; and allocated 900,000 yuan to build air defense works for the Yufeng Theater and No. 85 Hospital under the Shanghai Garrison Command.

In May 1986, the People's Armed Forces were transferred to local management. Scores of officers who had been engaged in people's armed work for a long time, and who had relatives and children in other localities, had to undergo transfer formalities which did not conform with Shanghai's policy on household registration at that time. The garrisoned troops and relevant departments were embarrassed because of these circumstances and Comrade Jiang Zemin, who was mayor at the time, proposed that the transfer of People's Armed Forces to local management be regarded as a political task supporting the Army's reorganization and streamlining and

"specially handled as a special mission." He emphatically pointed out: "The policies and stipulations of Central Document No. 5, such as the transfer of cadres, arrangements for staff members, and measures for relatives, were laid down in light of the special case of the People's Armed Forces transferred to local management. They are different from the stipulations concerning annual transfer of Army cadres to civilian work and family members following servicemen." Through "special handling of the special mission," the practical problems of these officers were resolved.

Signed by Comrade Jiang Zemin, the Shanghai municipal government issued three documents in 1986 and 1987 supporting Army building: "Opinions on Properly Doing Work for Servicemen's Relatives and Helping Servicemen Complete Their Term of Service"; "Opinions on Appropriately Settling Housing Difficulties of Officers' Spouses"; and "Measures for Shanghai To Give Preferential Treatment to Families of Revolutionary Martyrs, Servicemen, and Disabled Soldiers." As a result, Shanghai's work supporting the Army and giving preferential treatment to families of revolutionary Army personnel and martyrs was gradually institutionalized.

Huang Juyi, vice mayor in charge of the municipality's economic work, repeatedly told economic front comrades that Shanghai shoulders heavy responsibility for the modernization of national defense. At times when there is a shortage of money spent on national defense, we should make only small profits while serving the Army and must sometimes even be willing to suffer losses. Viewed from the long-term interests of national defense, it is worth so doing.

Despite the difficulties in local finance, beginning in 1988, the municipal government decided to exempt state-owned enterprises run by the garrisoned troops from taxes for two years and to offer around 10 million yuan in low-interest or interest-free loans. Relevant units in Shanghai offered vigorous support in technology, equipment, production, supply, and marketing to the 14 small enterprises the Shanghai Garrison Command uses to employ the spouses of Army officers. As a result, these factories achieved better economic results.

While assuming the office of Shanghai mayor, Comrade Jiang Zemin paid attention to the "vegetable baskets" of Shanghai residents as well as to the "vegetable basket" project for the troops garrisoned in Shanghai. When demand exceeded supply in Shanghai, the municipal government tried every means to meet the Army's needs. They "ensured the supply of normal goods, gave preferential treatment to the supply of sought-after commodities, and gave priority to the supply of specially required goods."

By the end of 1988, demobilization of veteran servicemen was postponed, presenting new problems for local settlement work. For this reason, Comrade Jiang

Zemin gave written instructions urging relevant departments in the localities to do the work well in coordination with the Army. He also asked vice mayor Ni Hongfu to go to the districts and counties to ensure implementation of the instructions.

At conscription time, Comrade Jiang Zemin would personally give mobilization talks to the residents of the whole municipality via television. This tradition has been passed down and now Mayor Zhu Rongji personally delivers a speech on television when it is time for conscription.

At the municipal militia work conference held on 19 September 1986, Comrade Jiang Zemin stressed: As mayor, I am taking up the matter personally today. As district heads and county magistrates, you should follow the example set by your superiors and personally take up the matter when you return home. Conscription is issued in the form of an order. Regarding orders, they should be resolutely enforced and there is no room for maneuver.

To ensure qualitative fulfillment of the conscription task and send good and sturdy young people to the Army, the municipal government implemented the policy of student enrollment and worker and cadre recruitment giving way to conscription and adopted the measure of issuing the notices of enlistment and recruitment at the same time. On 28 February 1989, the municipal government promulgated the "Regulations for Meticulously Punishing Violations of Conscription Work in Shanghai." On 16 April 1989, the municipal government again issued the "Detailed Regulations for Settling Down Demobilized Soldiers in Shanghai." These regulations and stipulations to a great extent dispelled the worries of the young people and their parents and ensured fulfillment of the conscription task. Over the years, no soldiers recruited from Shanghai were recalled because of negligence and Shanghai was elected by the Nanjing Military Command as an advanced unit in conscription work.

Comrade Jiang Zemin also showed concern for: Settlement of Army officers transferred to civilian work; the Army-people joint building of socialist spiritual civilization; training and use of personnel who can work for the Army as well as the locality; and the work of supporting the Army and giving preferential treatment to servicemen's families and martyrs. He often took up the matters personally, listened to reports, and gave prompt instructions.

In Shanghai, Army-government and Army-people relations are getting better and better and the Army and the locality are more united than ever before. A fine general mood of understanding servicemen and showing concern for relatives of servicemen and martyrs has taken shape in society. "Priority to servicemen and their families" is fully manifested in Shanghai's daily life. Various trades and professions in Shanghai have set up over 4,900 service centers to support the Army and give preferential treatment to servicemen's families; proper arrangements

have been made to settle officers from various units transferred to civilian work in Shanghai; those with skills to serve both the Army and the locality have been fully used; housing has been allocated to 10,000 family members of revolutionary martyrs and servicemen; preferential treatment has been given to some 50,000 families of revolutionary martyrs; the system of distributing complimentary money to urban and rural compulsory servicemen has been fully implemented; and the living standards of the old demobilized soldiers in rural areas are slightly higher than those of the local peasants.

The tree of Army-government and Army-people unity has struck root in the soil of Shanghai, a city with a glorious history, and has borne fresh flowers and rich fruits.

Comrade Jiang Zemin is the gardener who has worked hard to nourish the tree of Army-people unity.

"It Will Be Too Late To Think of Our Army and National Defense Reserve Forces After Problems Have Cropped Up"

August 9, 1988 was an unforgettable day.

The Shanghai municipal government and Shanghai Garrison Command jointly held a militia and reserve forces academic discussion. Comrade Jiang Zemin delivered an important speech at the meeting. He put forward a viewpoint which was proved by the turmoil and counterrevolutionary rebellion which took place half a year later. It is also the viewpoint spread today among Shanghai's garrison troops and People's Armed Forces: "It will be too late to think of our Army and National Defense Reserve Forces after problems have cropped up."

After an analysis of the international and domestic situation at the meeting, Comrade Jiang Zemin pointed out: Although we are now in a period of relative relaxation, we cannot rule out the possibility of regional wars and border conflicts. Instead of relaxing our vigilance, we should be prepared for danger in times of peace.

As a metropolis, Shanghai is influential at home and abroad and Comrade Jiang Zemin exhorted the participants to maintain the situation of stability and unity and the situation of political and economic stability. All kinds of hostile forces at home and abroad may at any time disrupt and sabotage our economic construction. We must heighten our vigilance, keep the alarm sounding, and never lower our guard.

To eliminate the unstable social factors in Shanghai, he reminded the leaders at all levels: We must give full play to the backbone role of the militia in maintaining social order. The militia and reserve forces constitute an important component part of the People's Armed Forces. They have the duty to maintain social order. It has been proved, and will continue to be proved by history, that our Army and militia have indeed played a great role in cases of emergency. We should never regard the militia and reserve forces as not being essential. Only

by attaching importance to building the militia and reserve forces in times of peace can we use them at critical moments.

In view of the situation at that time, the full text of the speech was not made public. Viewed today, this speech has profound significance indeed.

In quelling the counterrevolutionary rebellion in Beijing half a year later, our Army shed blood and sacrificed lives to defend the CPC and the PRC!

Maintain an army for a thousand days to use it for an hour. The key lies in "maintaining" in times of peace.

Indeed, Comrade Jiang Zemin showed concern for and attached importance to building National Defense Reserve Forces in times of peace. Stories of Jiang showing concern for militia and reserve forces work spread far and wide on the people's armed front in Shanghai:

The continuous spring rain had just stopped on 12 March 1987. The militia on Shanghai's Nanjing Road were offering services to residents. Spring was very much in the air along the 10 li long road.

Following students' military training with great interest, Comrade Jiang Zemin pointed out on numerous occasions: "It makes a great difference whether or not students have received military training."

At the Huangpu Stadium on 30 August 1988.

Instead of attending to other affairs Comrade Jiang Zemin, who had just returned to Shanghai after attending the CPC's Beidaihe Political Bureau meeting, reviewed the drill of Shanghai's senior secondary school students who were undergoing military training. Jiang also delivered an enthusiastic speech:

"After viewing your school, I am moved by your vigor and strict organizational discipline. Through military training, we can enable our students to emulate the high degree of organizational discipline of the People's Liberation Army [PLA] and increase their sense of national defense. I hope that military training of students of the whole municipality will start gradually and better results can be achieved year in year out."

An unprecedented "military training craze" started in Shanghai. In addition to college students, middle school students also asked to undergo military training.

After completion of Shanghai's new railway station, first grade quality was required in services. Therefore, the railway bureau also organized its staff members and workers to undergo military training.

The Shanghai Petrochemical Plant laid down the "two introduction" policy: Introducing advanced foreign equipment and technology and introducing the strict discipline and fine traditions of the PLA. Over 2,000 young workers underwent military training in groups

and by stages with the assistance of the "Yeting Regiment" of the Shanghai Garrison Command. Then they took up their posts with new spirit, enormously promoting enterprise management.

More than 800 staff members from a number of Shanghai's famous hotels and guesthouses, including the Hilton, Pacific, Jingjing, Heping, and the International, also organized military training, increasing the sense of national defense among the young people working in luxurious hotels.

Since 1988, some 100,000 college students from Shanghai's 20 institutions of higher learning have taken part in military training. Some 120,000 middle school students have also undergone military training. A new generation of national defense reserve forces is growing across the banks of the Huangpujiang.

Following an inspection tour of Shanghai in April 1989, Yang Baibing, director of the General Political Department, made the following appraisal: "Apart from contributing to the state, Shanghai has also attached importance to and supported national defense building."

Truly, General Secretary Jiang's support and concern for national defense building while working in Shanghai will go down in history.

General Staff Department Sets Training Tasks

OW2301125091 Beijing XINHUA Domestic Service in Chinese 0715 GMT 23 Jan 91

[Text] Beijing, 23 Jan (XINHUA)—According to JIEFANG JUNBAO, the People's Liberation Army's General Staff Department recently mapped out military training tasks for the whole Army during the new year. It said: In conducting military training in 1991, it is necessary to thoroughly implement the Central Military Commission's principles on Army building as well as the guidelines of relevant meetings, to maintain fighting power, to focus on military training in carrying out troop assignments, and to conduct training in strict accordance with laws and guidelines. It is also essential to set regular training priorities, to ensure the conduct of drills, to improve training quality, to open up a new prospect for military training, to constantly increase the fighting power of troops under present circumstances, and to strive to realize military proficiency.

In outlining military training tasks for the new year, the General Staff Department said emphatically: Party committees, leaders, and organs at all levels should take the work of raising combat power as their own duty; make overall planning and arrangements for various endeavors on the basis of military training; create a situation characterized by discussion of military affairs by party committees, personal involvement by chief officers, and interdepartmental cooperation in training; and ensure completion of the year's military training tasks. It is necessary to strictly conduct training, to focus on quality in organizing and directing military training,

and to gradually institute and improve regular training priorities. It is also essential to further correct training practices, to embrace concepts that regard training as combat, to oppose notions that consider training to be demonstrations, to persist in mastering skills, and to oppose ostentation.

The General Staff Department continued emphatically: It is necessary to master basic skills by upholding concepts that call for several consecutive years' training in them. In conducting individual drills, it is essential to pay attention to improving the men's basic quality and to enhancing their capability to perform multiple tasks. In conducting troop training, it is necessary to stress drills in offensive and defensive tactics, to strengthen training in combat duties, and to narrow the gap between training and actual warfare. Efforts should also be made to conduct assigned tactical and battle training; to concentrate on training in command, coordination, and war strategy; and to improve the ability to fight with existing weapons and equipment. The General Staff Department also set specific demands on supervising, inspecting, evaluating, and comparing the results of the year's training. It called on the whole Army to carry forward the traditions of working hard and conducting military training through diligence and thrift, to take existing material and financial resources into account, to make overall plans, to cater to the needs of the grass roots, and to ensure the fulfillment of major requirements.

Training Simulators Important to Air Force

OW3001181591 Beijing XINHUA Domestic Service
in Chinese 0342 GMT 30 Jan 91

[By reporter Qi Hanxiao (7871 0698 4562)]

[Text] Beijing, 30 Jan (XINHUA)—This reporter has learned from a relevant department of the Air Force that simulator training had become an important means of the Air Force of the People's Liberation Army (PLA) in military training. Extensive popularization and application of new technology and new equipment have allowed the Air Force to achieve a breakthrough in its training reform.

The Air Force is the PLA's high-technology arm. The price of its modernized equipment is expensive, and it costs thousands of yuan per hour to conduct training with real equipment; conversely, the cost of training with simulators is low and the effect is good. At present, all of the Air Force's flight academies and most air units are equipped with an assortment of flight simulators that can be coordinated with the different types and models of major fighter trainers. The Air Force's specialized and technical services, including ground-to-air guided missile units, antiaircraft artillery, radarmen, airborne troops and signal units, aerologists, ground crews, and truck drivers, also have training simulators suitable to their specialties. Simulators have progressed from mechanical and electrical, technical, single-weapon simulators to computerized, tactical, and synthetic ones; and

they are gradually being developed into a coordinated set of equipment. This has initially formed a simulator system with the Air Force's characteristics.

The development of simulators has laid the foundation for the Air Force's simulation training. With simulators, the Air Force pilots can receive an extensive training from flying elementary trainer planes to piloting high-speed jet fighters, from studying ordinary dashboards to learning combat skills, and from manipulating the plane under normal conditions to handling exceptional cases in the air. By using a comprehensive simulated training system, the ground-to-air guided missile units have successfully conducted an exercise with a tactical background that is close to actual combat, and found out a new approach of conducting tactical training with the application of modern simulation means. Extensive practice through simulator training has slashed training expenditures by hundreds of times. It has also improved commanders' organizing and commanding capabilities and training quality, as well as provided a guarantee for safe flights and an increase of the troops' combat effectiveness.

Hubei's Guan Guangfu Views Militia Work

HK2301030991 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 20 Jan 91

[Text] At this morning's provincial forum on people's militia reserve force work, Guan Guangfu, provincial party committee secretary and military district party committee first secretary, stressed: Leading comrades of party committees at all levels, especially those who are concurrently first secretaries of Armed Forces departments at corresponding levels, must inherit and adhere to the tradition of the party administering the Armed Forces; perform their duties in a down-to-earth manner; and practically, as well as effectively, strengthen our province's national defense reserve force building.

At the forum, Wang Shen, provincial party committee Standing Committee member and military district commander, reported our province's 1990 people's militia reserve force work to all the responsible comrades attending the forum, including leaders of the provincial party committee; provincial government; various prefectures, cities, and autonomous prefectures; various military subareas; and various troops under the provincial military district's command. He also outlined the tasks of our province's national defense reserve force work in 1991.

Party committee Secretary Guan Guangfu delivered a speech entitled "Conscientiously Perform Duties of Concurrent First Secretaries, Strengthen National Defense Reserve Force Building in a Down-to-Earth Manner" at the forum.

Guan Guangfu's speech was divided into four parts. The main spirit of his speech can be summed up as follows: Those party committee secretaries who are concurrently first secretaries of People's Armed Forces departments at

corresponding levels must inherit and adhere to the tradition of the party administering Armed Forces, acquire an in-depth understanding of the strategic position and role of the work of strengthening national defense reserve force building, improve leadership style, and strive to improve People's Armed Forces work on a scientific and realistic basis.

When speaking of how party committee secretaries acting concurrently as first secretaries of People's Armed Forces departments at corresponding levels should firmly grasp People's Armed Forces building, Guan Guangfu, who has an intimate knowledge in this regard, said: As a concurrent first secretary, first of all one must focus on the basic orientation and the fundamental issues to ensure that the Armed Forces will forever obey the party's orders. Second, one must play an active role in strengthening relations between the party, government, and army. Third, one must respect and understand the troops, exert one's utmost to show concern for and support the work of the troops, practically do things for the troops, and help the troops solve problems. Fourth, one must personally participate in discussing major issues, making decisions, and strengthening cadres' contingent building and ensuring that the military commanding power is forever in the hands of those people who are loyal to the party, motherland, people, and socialism. Fifth, one must try to extensively mobilize all of society's forces to strengthen national defense education among the whole people in order to create a fine social atmosphere characterized by love for the motherland and support for the Army.

At the forum, Vice Governor Zhang Huainian relayed the spirit of the National Conference on Two-Support Work [supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs, supporting the government and cherishing the people] and forward some new demands on our province's work of supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs, supporting the government and cherishing the people.

Wang Jieqing, provincial military district political commissar, presided over the forum.

Leading comrades of the provincial party committee, government, and military district, including Guo Shuyan, Qian Yunlu, Zheng Yunfei, Zhong Shuqiao, Han Hongshu, Chen Zuocai, Xu Shiqiao, (Zhang Shoutian), and Liu Guoyu; as well as party committee secretaries of a number of prefectures, cities, and autonomous prefectures, including Yichang, Jingzhou, Xiangfan, Erxi, Yunyang, Huangshi, and Shashi, also delivered speeches one after another at the forum.

Mao Zhiyong Addresses Military District Meeting

HK2301055191 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT, 20 Jan 91

[Excerpts] The 25th plenary meeting of the fifth provincial military district CPC Committee, and government

and military work meeting pointed out that an important point for units under the provincial military district to implement the spirit of the Seventh Plenary Session of the 13th CPC Central Committee, is to grasp the work of the military units and people's militia reserve forces well, to make contributions to invigorating Jiangxi's economy.

Mao Zhiyong, provincial party secretary, and the first secretary of the provincial military district CPC Committee, attended and addressed the meeting. He said: Party organizations at all levels in the provincial military district are organizations which are firm politically, have high combat effectiveness organizationally, are really up to the mark in work style, and have made marked achievements in their work. Last year, they made marked achievement in various work of vigorously strengthening political building of various Army units and people's militia reserve forces around the main theme of being qualified politically. [passage omitted]

He continued: The Seventh Plenary Session of the 13th CPC Central Committee which ended not long ago, is a very important meeting. Both the Army and civilian units must conscientiously study and implement the spirit of the meeting. Army units must also conscientiously study the spirit of the national military meeting on strengthening the modernization program of national defense, and the work of the People's Armed Forces to ensure that there is a stable environment for the economic development of the state. He hoped that party organizations at all levels in the provincial military district, and the broad masses of officers and men would, as always, make greater contribution to the long-term stability and development of the state and Jiangxi to further promote revolutionization, regularization, and modernization of the troops.

The meeting conscientiously studied relevant documents of the seventh plenary session, and relayed the spirit of the 21st plenary meeting of the Seventh Nanjing Military Region CPC Committee. Participants participated in heated discussion in light of their own practical conditions. [passage omitted]

During the meeting, participants comprehended the spirit of grasping modernization buildup of the troops and people's militia reserve forces well, and talked glowingly about the importance and urgency of grasping their own self-improvement. They profoundly realized that economic invigoration and social development are inseparable from powerful national defense force. As leaders of the troops and reserve forces, they cannot relax even for a minute their efforts to grasp national defense buildup mainly aimed at realizing modernization of national defense. They pledged to continue to grasp political building of the troops and the people's militia reserve forces well, to vigorously carry forward the glorious tradition of party building during the Jinggangshan period. They realized that efforts must be made to truly grasp education in the party's absolute leadership over the Army, and the party administering

the Armed Forces. The guiding principle for the building of reserve forces must be conscientiously implemented. New rules and regulations must be resolutely enforced. Army units must persist in taking combat effectiveness as a yardstick to grasp military training and administrative management well. They must strengthen their regularization, and make efforts to become a powerful backing of the socialist modernization program.

On behalf of the Standing Committee of the provincial military district CPC Committee, Major General Zhang Yujiang, party secretary and political commissar of the provincial military district, delivered a work report. Major General Zhang Chuanshi, member of the provincial CPC Committee Standing Committee, and commander of the provincial military district, also addressed the meeting. [passage omitted]

Yang Rudai Addresses Sichuan Military District

HK2901064691 Chengdu Sichuan Provincial Service
in Mandarin 1015 GMT 25 Jan 91

[Text] Sichuan Provincial Military District CPC Committee held an enlarged plenary meeting on 19-23 January to relay and study the documents of the Seventh Plenary Session of the 13th CPC Central Committee, and profoundly discuss and study the issues concerning the implementation of the spirit of the plenary session. All attendees unanimously stated that they would get a clear understanding of the current situation, and actively do the work of the people's militia reserve service well to create stable and [words indistinct] conditions for realizing the strategic targets of the second stage.

Comrade Yang Rudai, provincial party secretary and first secretary of the provincial military district, attended the meeting, and made an important speech. He said: The seventh plenary session has worked out a series of important policy decisions for fulfilling the strategic targets of the second stage. One of the most important measures is to strengthen national defense buildup. To develop our economy, and make our country rich and powerful, we need an internal and external environment which is safe and stable. The situation must be stable and the environment safe. To secure all this, we must have powerful Armed Forces as a backing. We must further strengthen national defense building in accordance with the spirit of the seventh plenary session. We must deepen education in national defense for all people, and enhance our people's concept on national defense. We must create a situation in the whole province in which all people love and support the Army, and show concern for the building of the Army. We must turn the greenlight on for the Army in terms of policies, manpower, and financial resources. We must provide convenience for the building of the troops [words indistinct]. We must do more practical work for national defense buildup. Provincial military district, military subdistricts, and the People's Armed Forces departments are military leadership and organization organs. They must boldly command people's militia men to carry out various kinds of

military work to make new contributions to stabilizing society and invigorating the economy.

Comrade Ren Yinglai, member of the provincial CPC Committee Standing Committee, and commander of provincial military district, set forth specific demands on how people's militia work should make a contribution to fulfilling strategic targets of the second stage. He said: We must give prominence to party building, and firmly grasp military training and management work to strengthen logistics building to do well in putting the work of the people's militia on a solid basis organizationally, politically, and militarily to ensure that there is a stable social environment for construction and development in our province.

Xinjiang Holds Meeting on Military Installations

OW2201122891 Urumqi XINJIANG RIBAO in Chinese
8 Jan 91 p 1

[By correspondent Jia Jing (6328 7231)]

[Text] The regional people's government and the Xinjiang Military District called a telephone conference on the afternoon of 7 January to transmit the guidelines of a meeting held by the Lanzhou Military Region on protecting military installations and to arrange this year's work.

Jin Yunhui, vice chairman of the regional government, reviewed the work carried out last year in protecting military installations. He said: Thanks to the keen attention of leaders at various levels and close military-civilian coordination, organizations on protecting military installations were established on a trial basis at different levels. This provides useful experience for improving this year's work in a way suitable for Xinjiang. Progress has been uneven, however, in the work of protecting military installations in some localities. Further efforts should be made to help overcome lackluster performances and poor military-civilian coordination in some localities and units.

Jin Yunhui said: This year's major task is to complete the delineation of protection zones. All relevant departments and units should continue to publicize in depth the "Law on Protecting Military Installations" so that the masses of soldiers and civilians can be fully aware of the great importance of protecting military installations in order to ensure national security and to promote social, political, and economic stability in Xinjiang. It is necessary to further improve grass-roots working organizations, replenish personnel, and carry out the work as soon as possible. Military installation protection committees at various levels should give full play to their leadership role and pay close attention to military-civilian coordination in ensuring a solid job.

Ulatayov, deputy political commissar of the Xinjiang Military District, transmitted the guidelines of the Lanzhou Military Region meeting on protecting military installations.

Tibet Holds Meeting on Military Installations*OW2801035491 Lhasa Tibet Television Network
in Mandarin 1300 GMT 24 Jan 91*

[From the "Tibet News" program]

[Text] The regional work conference on protection of military installations, jointly sponsored by the Tibet Autonomous Regional People's Government and the Tibet Military District, was held on the afternoon of 23 January in Lhasa. [Video shows a large room filled with military and government cadres. A man in civilian clothing is seen addressing the meeting]

The Military Installation Protection Law of the People's Republic of China, approved and promulgated at the 12th Session of the Seventh National People's Congress, came into effect on 1 August 1990. The Military Installation Protection Law is a legal document with historical significance. Its inception and implementation will play a significant role in raising our country's defense capability; protecting the smooth progress of socialist construction, reform, and opening to the outside world; maintaining a long period of stability in our country; putting a stop to the illegal acts of sabotaging military installations; enhancing unity between the military and government and between the military and people; and ensuring stability in border areas and in Tibet.

The central theme of the regional work conference on the protection of military installations is to make an in-depth study of the Military Installation Protection Law and relevant documents related to protection of military installations. The meeting strove to unify thinking and understanding, change concepts, strengthen awareness regarding protection of military installations and national defense, straighten out relations, define responsibility, establish and improve the organization of military installation protection, and formulate concrete measures for implementing the Military Installation Protection Law.

Liu Yongkang, deputy commander of the Tibet Military District, delivered an opening speech at the meeting and conveyed the guidelines laid down at the work conference of the Chengdu Military Region on protecting military installations. At the meeting, (Tang Zhengqi), deputy secretary general of the autonomous regional people's government, transmitted regulations of the State Council and the Central Military Commission on implementing the Military Installation Protection Law. Liu Shiguo, deputy chief of staff of the Tibet Military District, conveyed the opinions of the autonomous regional people's government and the Tibet Military District on implementing the Military Installation Protection Law. Gyameo, vice chairman of the autonomous regional people's government; Geng Quanli, political commissar of the Tibet Military District; and other leaders, attended the opening meeting. The establishment of a military installation protection committee was announced at the meeting. This committee will be responsible for guiding the work of all levels of military installation protection committees throughout the region.

Tianjin Holds Militia, Reserve Forces Meeting*SK2501001191 Tianjin City Service in Mandarin
2300 GMT 23 Jan 91*

[Text] The municipal government and the Tianjin Garrison held a meeting on the work of the militia and reserve forces to put forward new tasks for future improvement of reserve forces. Last year, the militia and reserve forces of our municipality successfully fulfilled their tasks, and scored notable achievements.

At the meeting, the Tianjin Garrison commended Jixian, Tanggu, and five other advanced district and county People's Armed Forces departments, and Heping District, Hexi District, and seven other units advanced in the management of the weapons of the militia. The meeting also made arrangements for this year's work of the militia and reserve forces.

Chen Deyi, political commissar of the Tianjin Garrison, gave a speech on strengthening the building of the party committees of district and county People's Armed Forces departments and reserve forces. Song Pingshun, vice mayor of the municipality, also spoke, stressing that the militia and reserve forces should firmly embrace the idea of gearing to the need of and serving economic construction, which is the central task, carry forward their achievements, lead the masses of militiamen and reserve forces personnel to plunge into the building of the two civilizations, and make still greater contributions to developing Tianjin's economy.

Yang Zhihua, commander of the Tianjin Garrison, pointed out in his speech: The militia and reserve forces should conscientiously fulfill the various tasks put forward at the seventh plenary session of the party Central Committee and the seventh plenary session of the fifth municipal party committee, and take the lead in emancipating the mind, stabilizing the situation, maintaining unity with the party Central Committee, and studying scientific and general knowledge. Party members should take the lead in doing a good job in party building, carrying out arduous struggles, supporting the government and cherishing the people, conducting reform and opening up, participating in the building of the two civilizations, and correcting the unhealthy trends in some trades.

Economic & Agricultural**Li Peng on Gold Production Goals, Disorder***OW3001140091 Beijing Domestic Service
in Mandarin 2230 GMT 29 Jan 91*

[From the "News and Press Review" program]

[Text] Fifty advanced collectives and 50 advanced individuals that made outstanding contributions to the development of China's gold industry during the Seventh Five-Year Plan period were commended by leading comrades of the State Council on the afternoon of 29

January. The second national meeting on gold mining closed on the same day. The meeting summed up the gold mining work during the Seventh Five-Year Plan period, and discussed and arranged the Eighth Five-Year Plan and the 10-year plan for the development of gold industry. Premier Li Peng met with all the delegates to the meeting on 29 January.

In his address to them, he extended his cordial regards to the comrades working for the gold industry, including comrades of geological, mining, metallurgical, non-ferrous metal industry, nuclear industry, scientific research, banking, public security, and armed police departments.

He said: Gold is a precious metal and hard currency, as well as an important strategic material. Thanks to the concerted efforts made by all comrades in the gold industry, gold production tasks were well accomplished during the Seventh Five-Year Plan period. Confirmed gold deposits increased by 270 percent, as compared with the Sixth Five-Year Plan period. Our gold output rose steadily during the Seventh Five-Year Plan period at an average annual rate of more than 11 percent. The 1990 output was 17 percent greater than the 1989 output.

Li Peng said: To meet the needs of socialist modernization, we should discover more gold deposits and produce more gold. In order to enhance our gold production capability, we should adopt advanced technology in addition to conventional technology and make full use of low-grade gold mines.

He hoped that China's gold output will increase further during the Eighth Five-Year Plan period.

On the disorder in gold mining in the preceding period, Li Peng said: The situation has greatly improved since the governments and the departments concerned at various levels make great efforts to rectify it. However, if we slacken our attention, the disorder might come back again.

He said: The departments concerned should adopt effective measures to continue to strike at speculators, profiteers and smugglers, and to ban gold mining by individuals. The planning, materials, energy source, finance, and banking departments should continue and increase their support to gold industry and create the necessary conditions for it to produce more gold.

Tian Jiyun at Commerical Departments Meeting

OW3001035491 Beijing XINHUA Domestic Service
in Chinese 0835 GMT 29 Jan 91

[By reporter Jiang Jun (1203 6511)]

[Text] Beijing, 29 Jan (XINHUA)—At a national meeting attended by directors of commercial departments yesterday, Tian Jiyun, vice premier of the State Council, said: The new market situation provided an

important historical opportunity for invigorating and promoting business. Therefore, it is necessary for commercial departments to firmly seize this historical opportunity and take the initiative in business competition.

Tian Jiyun said: Great changes were made in the current circulation environment. First of all, multichannel circulation continuously developed. It is a foregone conclusion that we will have full market competition in the future. Second, we are experiencing a remarkable process in which unnecessary links are reduced as much as possible. Great efforts were made to reduce links and expenses in marketing, be it direct marketing by enterprises themselves or chain distribution marketing. Third, union is an inevitable trend because advantages of industrial and commercial enterprises as a whole were continuously increased and conglomerates were formed. Fourth, there is more selection for consumers in the market. The change in these four aspects is, in fact, an inevitable result of reform in the system of commodity circulation. Such a change is a good thing rather than a bad one because this is an expression of the development of socialist planned commodity economy. Seen from an objective point of view, such a new market situation provided an important historical opportunity for invigorating and promoting business.

He said: Commercial departments must firmly seize this historical opportunity and strengthen their senses of seeking independence and economic results. They must view industrial and commercial enterprises as a whole and try to achieve progress. They must be determined to adjust management strategy and be aggressive in market competition.

While talking about the decline of the state-run business market, which appeared in the previous period, Tian Jiyun said: There are many reasons for the decline. However, we must also face the fact that problems such as poor management lead to poor competition in the market. He stressed: It is necessary to have a preferential policy for state-run businesses to play a role as a main channel. However, the most important thing is that all state-run enterprises should go all out for the prosperity of the country by relying on their own efforts. Only in this way, can they take the initiative in the market competition.

In discussing the reform of state-run businesses, Tian Jiyun said: As a general rule, it is necessary to be persistent in reform, in opening the market, and in invigorating the economy. We must maintain the principle of strict control over wholesale and loose control over retail under the precondition of guaranteeing the stability of urban and rural markets. In this way, we can control the important commodities and life necessities that have great bearing on the national economy and the people's livelihood in the hand of state-run businesses

and supply and marketing cooperatives and, at the same time, open the wholesale of some commodities in a limited way.

Minister on Establishing New Foreign Trade System

OW2701213391 Beijing International Service
in Mandarin 0900 GMT 27 Jan 91

[Text] During the 1990's, China will establish a foreign trade system with sole responsibility for its profits or losses, and with decisionmaking power while operating within the framework of the state policy and under the state administration. This was said by Li Lanqing, Chinese minister of foreign economic relations and trade, in a recent interview with ZHONGGUO MAOCU BAO [CHINA TRADE PROMOTION NEWS].

Li Lanqing stressed: During the 1990's, China will further expand cooperation with foreign countries in economic relations and trade and in technological exchange. While continuing to maintain and develop economic and trade cooperation with developed capitalist countries, China will also further promote such cooperation with the vast numbers of Third World countries.

Commerce Minister on Supply of Commodities

OW3001105191 Beijing XINHUA Domestic Service
in Chinese 0343 GMT 30 Jan 91

[By reporter Jiang Jun (1203 6511)]

[Text] Beijing, 30 Jan (XINHUA)—Commodities in excessive supply are flooding the market, while goods in great demand tend to decrease. Does this mean a "buyer's market" is taking shape in China? Commerce Minister Hu Ping said he is not so optimistic.

During his recent interview with this reporter, Hu Ping noted that the present market is favorable to consumers indeed, because more goods are available and the supply of many commodities has exceeded the current demand. According to a Commerce Ministry analysis of the supply of more than 600 varieties of major commodities, during the first half of this year, supply and demand of 58.7 percent of these commodities will be basically balanced, while supply of 25.4 percent of these goods will exceed demand. Consumers now have a lot more choices, and the prices are being held somewhat in check.

In addition, he explained that the so-called "buyer's market" means the excess of a commodity's supply over demand, which gives buyers dominance in the market. In China's market, many commodities are still in short supply. Although consumers enjoy certain advantages in choosing commodities and their prices, as well as in purchasing behavior, they have yet to gain dominance. The most important indication is that consumer demand has not been able to quickly affect production; goods with sluggish sales are still being produced, while it is hard to fully supply goods in great demand.

On the Commerce Ministry's semiannual listing of supply and demand of goods, 88 kinds of manufactured goods have been listed under the column "supply in excess of demand" from the first half of last year to the first half of this year, but 35 kinds of manufactured goods, like soap and thermos flask liners, have experienced consistent shortages. Hu Ping said: This shows that in China's economic operation, the market has yet to further assert its role in regulating production. There is a great deal the Commerce Ministry can do in this respect. He said: In the past, we used to do business by selling whatever products were available. From the viewpoint of commodity economy, this was a reverse action. The Commerce Ministry should take the initiative and actively guide production by means of the market, to impel producers to improve technology, raise economic efficiency, increase the varieties, and produce salable products. Only then can we create a true "buyer's market."

Article Predicts 'Bright' Economic Prospects

HK3101013391 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 1, 7 Jan 91

[Article by staff reporter Xu Yaozhong (1776 5069 0022): "Bright Prospects for China's Economy in the New Year"]

[Text] The year 1990 has passed and the year 1991 has arrived. While bidding farewell to the old year and ushering in the new year, all the Chinese people and the world media are turning their eyes to China: What are China's prospects for economic development in 1991?

Premier Li Peng of the State Council said in his speech at a recent national planning conference: The year 1991 will be an important year to further the economic improvement and rectification operation and to deepen the reform, and it is also the first year of the Eighth Five-Year Plan. Although many difficulties still remain, one can see more and more clearly that China's prospects for economic development are bright. This remark is by no means a mere good wish but a scientific conclusion based on a comprehensive and objective analysis of the economic situation in China.

The Trend: The Situation Continues To Improve, but Problems Remain Quite Serious

Why are China's prospects for economic development bright in the new year? One of the important reasons is that a wholesome economic development trend in China already emerged last year. Along this trend, China's economy will be reinvigorated and regain its vitality, and thus take up the road of normal development.

In 1990, China conscientiously implemented the principle of improving the economic environment, rectifying economic order, and deepening economic reform. This has resulted in obvious changes in the national economy:

One change is agriculture has begun to pick up. This is not only reflected in the bumper harvest of grain, cotton, sugar crops, oil-bearing crops, aquatic products, and animal products, but what is more important is that the role of agriculture in the national economy is being strengthened. Both the central and local authorities have strengthened leadership over agriculture, increased input in agriculture, and attached more importance to farmland irrigation, water conservation, and other capital construction, as well as to the dissemination of advanced science and technology. Agriculture is developing further in breadth and depth.

On the other hand, the continuous declining trend of industry for six consecutive months was stopped, and industrial production began to pick up again. Industry kept growing from March 1990 until the end of the year, the gross industrial output value has been increasing steadily, and what is particularly gratifying is the growth in the energy and raw material industries has been higher than the growth in other general industries, which marks a good beginning of the readjustment of the internal industrial structure.

In addition, after eight months' decline, the market has begun to recover. The total commodity retail volume has picked up slowly, and the sale of some everyday consumer goods begins to increase gradually. Meanwhile, foreign trade has increased considerably, with projected two-digit growth. The durable consumer goods import craze which ran rampant in the past has gradually subsided now; while the export structure with agricultural and sideline products as the staple exports is being replaced by an export structure with finished industrial products as the staple exports; the foreign exchange revenue derived from exports has also increased substantially. The most astonishing achievement is that the long-standing inflation has been brought under effective control, the margin of increase in commodity prices had been decreasing steadily throughout the year, with the increase rate kept at around 3 percent, a "miracle" indeed if compared with the 20-percent annual increase recorded before the economic improvement and rectification operation.

In the new year, the CPC Central Committee and the state will adopt a series of macroscopic and microscopic policies and measures to further promote this trend. Therefore, we expect that China's economy will develop along this trend and present bright prospects.

Of course, while being aware of this good development trend, we must also pay sufficient attention to the seriousness of the existing economic problems. There are mainly three problems:

The first problem is that the economic cycle does not work smoothly. Some enterprises are not supplied with the raw and processed materials they need soon enough, their products can hardly be marketed, and the production cycle does not work smoothly. Payment for goods is not received in good time after goods are delivered,

therefore exchange of commodities cannot be carried out normally. The bank has increased cash outlays to pay salaries and wages, the amount of currency withdrawn from circulation through sales of commodities has decreased, and the normal production-consumption cycle cannot work normally. The spreading of the web of "triangular debts," the trade barriers between different areas, the overstocking of products, and the inappropriate lockup of funds have crippled the normal circulation of products and funds. All these factors have served as serious obstacles to economic development.

The second problem is the decline in economic returns. Most areas and trades saw a decline in many principal economic indexes as compared with the first half of the year. In some cases, the margin of decrease was remarkable. Thirty percent of enterprises have suffered losses, and the amount of losses has doubled.

The third problem is the acute contradiction reflected in the imbalance between financial revenue and state expenditures. This problem is the highlight of those deep-rooted economic problems that have existed for many years in the economic improvement and rectification process. In substance, this problem shows that, as far as the guiding ideology for economic operation is concerned, we have been too anxious for success in the earlier period and have overexpanded the scale beyond the extent the country's resources can afford. It reflects the excessive distribution of national income, the reduction of the proportion of the national financial revenue to the national income, and the overemphasis on the individual in the distribution of income. None of these questions were because of economic improvement and rectification, but their thorough solution lies in the thorough completion of the task of economic improvement and rectification and in-depth reform.

There Are Very Favorable Conditions, but the Task Will Involve Great Difficulties

In the year to come, China will enjoy quite a few favorable conditions for economic development which serve as a part of the important basis for the bright prospects for China's economy.

According to analyses by the economic circles, the main favorable conditions are:

Political and social stability has created a fine objective environment for economic development. The new CPC central leading body with Jiang Zemin as its core, since its establishment, has adhered to the basic line of upholding the central task of economic construction, upholding the four cardinal principles, and upholding reform and open policy. Despite internal difficulties and external pressure, this new leading body has led Chinese people of all nationalities in withstanding the test, thus winning the trust and support of the broad masses and bringing about an excellent situation characterized by political and social stability. Practice has shown long ago that turmoil is the great enemy of economic development. Therefore, all the Chinese people very much

treasure the present stable situation and take the initiative in safeguarding stability with real action.

The implementation of the principle of improving the economic environment, rectifying the economic order, and deepening reform has provided a solid guarantee for economic development. While maintaining the balance between aggregate supply and demand, the state has adopted a series of adjustment measures, for instance, the state has increased investment in key projects, technical transformation, and urban housing construction. These measures will certainly further increase social demand and are therefore of important significance to reinvigorating the sluggish market and promoting the normal economic cycle.

Agricultural bumper harvest and industrial recovery serve as a solid material basis for easing the shortage of energy and raw and processed materials. The bumper harvest of 1990 is of great significance as it has not only ensured an ample supply of grain to the whole country and set the public's minds at rest, but has also ensured an ample supply of agricultural and sideline products and raw and processed materials to industry, and will thus boost industry. The increase in the peasants' income has created conditions for enlivening the rural market. The recovery of industry, especially the steady growth in the energy industry and the raw and processed material industry, and the increase in the stock of capital goods have eased all trades' demand for energy and raw and processed materials.

The implementation of the policy of opening up to the outside world and the gradual lifting of sanctions by the West have increased the potential of domestic economic development. China has achieved a series of great successes in pursuing its foreign policy of peace and independence, thus greatly raised its prestige, made more breakthroughs in the economic sanctions imposed by Western countries, and further improved its conditions for economic and technological exchanges and cooperation with foreign countries. Last year, China made substantial progress in capitalizing on foreign funds, in expanding foreign trade, and in increasing its foreign exchange reserve, which has substantially intensified China's position in its efforts to open to the outside world.

As long as we can make full use of these favorable conditions, we will surely be able to promote wholesome economic development.

However, as pointed out by the leading person of the State Council, in the coming year China is facing some unfavorable conditions in its economic development and will have to overcome some contradictions and difficulties. For this reason, the efforts to strive for wholesome economic development will involve still a rather high degree of difficulty. In the new year, we will be faced with a series of dilemmas and problems; we must try not only to increase society's final demand and

speed up the economic cycle, but also prevent a recurrence of an overheated economy and inflation. We must not only promote development of agriculture, defense, and basic industries, but must also ensure a basic balance between financial revenue and expenditure and between credits and payments. We must not only solve the problem concerning the prices of some commodities which are obviously unreasonable, with a view to saving the state's financial subsidies, but must also keep down the rising retail price level on the commodity market and ensure that commodity prices will remain basically stable. We must not only try to readjust the economic structure but must also maintain an overall economic stability.

It will be very difficult to solve all these problems, but they must be appropriately handled. This will be a test for those who are working on the economic front. Aware of our favorable conditions, we will be more confident; while the recognition of the difficulties the tasks may involve will urge us to heighten our vigilance and push us to work harder and more cautiously. Only in this way will we be able to gain bright prospects.

Tasks Must Be Arranged Properly and in a Down-to-Earth Manner, and the Key Lies in Boosting Morale

Meticulous, cautious, and proper arrangement of economic work is a reliable guarantee of China's bright prospects for economic development in the new year. It is reported that the State Council and economic departments concerned have already made some proper and down-to-earth arrangements during a recent planning meeting. These preliminary arrangements show the following characteristics:

Regarding the guiding ideology for economic development, the principle of being realistic and practical has been upheld while the style of overanxiousness for quick results and aiming too high has been discarded. The general guiding ideology is to straighten out basic economic relations step by step, further improve economic order, bring positive factors of all sectors into play, keep adjusting the balance between aggregate supply and demand while maintaining political, economic, and social balance, vigorously readjust the structure to improve economic returns, actively explore and start up the market, promote the normal operation of the economic cycle and moderate economic growth, and thus gradually bring the economy onto the track of sustained, steady, and coordinated development.

All the set main tasks and targets for economic development are concrete and feasible ones. In accordance with the principle of "readjustment, consolidation, transformation, and improvement" embodied in the general guiding ideology for economic development and basic guideline of the Eighth Five-Year Plan, the state has put forth the following major tasks and targets for 1991: to vigorously readjust the economic structure, strive to improve economic returns, set store in scientific and

technological progress, further explore and start up the market, and thus ensure steady economic growth; to keep a general balance between the aggregate supply and demand, and maintain a moderate growth in the investment scale and consumers' demand; to maintain a general balance between financial revenue and expenditure and between credits and payments, continue to inhibit inflation, strive to increase revenue and reduce expenditure while promoting economic development, and maintain a reasonable credit extension scale, amount of monetary issue, and price increase level; to vigorously promote various social undertakings, and maintain coordinated economic and social development; to continue to support old revolutionary areas, areas inhabited by minority nationalities, frontier areas, and poverty stricken areas in their efforts for economic development, and do a still better job in aiding impoverished areas; and to continue to deepen reform and further expand our opening-up program.

In order to implement and fulfill in an all-around way all the economic tasks for 1991, especially the tasks of exploring and starting up the market, improving economic results, and invigorating large- and medium-sized enterprises, the state has demanded that all localities and all sectors set much store in four aspects. First, they should really concentrate their energy on structural readjustment. All departments from the central to local levels must earnestly implement the state's industrial policy, do their best to allocate as many funds as possible to support construction projects in key lines of production and development of products in short supply, and continue to restrain and curtail production of oversupplied products of processing industries as well as construction projects of office buildings, auditoriums, and hotels; the central and local authorities should adopt administrative, economic, and legal measures and make use of the market mechanism governed by the law of survival of the fittest to close, suspend, merge, and retool those enterprises whose products are unmarketable and overstocked; they should encourage mergers and associations of enterprises with a view to promoting reasonable flow of production elements; they should speed up the formulation of the economic scale standard for key products and the policies and measures for promoting cooperation among specialized technical branches, and thus lay down guidance for the readjustment of enterprise organization and structure. Second, both central and local authorities must vigorously launch the "Quality, Variety, and Economic Return Promotion Year" drive, and make earnest efforts to improve economic quality and results. All enterprises, especially industrial enterprises, must have all the principal indexes of economic results upgraded remarkably. Third, it is necessary to further explore and start up the market to facilitate the normal cycle of economic operation. Fourth, it is necessary to actively improve and carry out the reform further in depth, build up an economic structure and operational mechanism which combine the planned economy with market regulation, thus push ahead the reform. The above four tasks that the State Council requires all

localities and departments to accomplish in real earnest meet China's actual needs, are aimed at specific goals, and are highly feasible. The proper accomplishment of these four tasks certainly will enable China's economy to make big strides.

Proper arrangements are very necessary to our economic work in the new year, but the key lies in good morale. Although we are enjoying many favorable conditions in doing economic work in the new year, we are also facing quite a few difficulties. Are we going to simply complain about everything but take no action in face of difficulties or brace ourselves up and lead the masses in actively working out methods to overcome them? Are we going to wait for improvement in external conditions without doing anything or tap our internal potential and blaze new trails? Two different mentalities and two working methods will result in completely different outcomes. As pointed out by Premier Li Peng: Why do different localities and trades fail to make progress in a coordinated manner? Objectively speaking, this is the result of the industrial structure and economic basis. We must also be aware that this is closely related to our cadres' mentality and working performance. Therefore, we must set much store in boosting the morale of cadres, staff members, and workers at all levels. Only in this way will we be able to do a great job in our economic work, and to turn the bright prospects into reality. Victory lies in everyone's earnest efforts.

Strategy for China's Economic Development

HK3001045191 Beijing GUANGMING RIBAO
in Chinese 5 Jan 91 p 3

[Article by the Strategy Research Group of the Economic Research Institute of the State Planning Commission: "Thoughts on the Strategy for China's Economic Development in the 1990's"]

[Text] The "CPC Central Committee's Proposals for the Drawing-Up of the 10-year program and the 'Eighth Five-Year Plan' for National Economic and Social Development," examined and passed at the Seventh Plenary Session of the 13th CPC Central Committee, advanced the basic tasks, principles, and policies for China's national economic and social development in the next 10 years. This article gives some rough ideas on the strategy for developing China's economy in the 1990's.

The 10 years from 1979 was a decade in which the best achievements were made in China's economic development, but the contradictions accumulated in economic life were beginning to come up. This led to the readjustment of the national economy. Under these circumstances, forecasting China's economy in the next 10 years is of great significance.

The Subject, Emphasis, and Principle for Economic Development in the 1990's

The tasks for China's economic development in the 1990's are mainly to readjust the economic structure and

to improve economic returns. Since various contradictions are interwoven together, the difficulty of the tasks has been enhanced.

Properly understanding and determining the phase of industrialization China now is in is the prerequisite for making strategic deliberations for future development. Change in per-capita gross national product [GNP] is the most important comprehensive index for determining China's process of industrialization and is also the starting point for making theoretical deliberations on China's future development strategy. According to China's current per-capita GNP, China is within the scope of quasi-industrialized countries. Many countries in the world had worked for 10 to 20 years before their per-capita GNP reached more than \$2,000, thus becoming industrial or developed countries. It is obvious that China will still remain in the phase of quasi-industrialization in the 1990's.

In its economic development in the 1990's, China will be faced with various difficulties such as the excessively great population pressure; the decrease in the output of agriculture, especially crop farming; the daily-increasing intensity of bottleneck restrictions on projects for basic facilities; the approaching maturity periods for repayment of foreign and national debts; the deterioration in the inflow of capital; and the difficulty in effectively readjusting the domestic demand structure. This demands us to bravely blaze new trails in overall policies while implementing them in a steady manner in every effort to find a new way for economic development. Here the most important thing is to determine the subject for economic development. As a developing country, China should give priority in its economic development to the maintenance of necessary and appropriate economic growth rates on the prerequisite of vigorously coordinating the interests of various sectors. In obtaining necessary and appropriate growth rates, the following demands must be taken into consideration: The various expenditures deriving from the natural population growth, fixed consumption level, employment level, debt repayment and necessary state reserves, and rates of inflation. Moreover, it is also possible for us to maintain a definite growth rate. Many large-scale key development projects initiated during the "Seventh Five-Year Plan" are expected to be completed and put into operation during the "Eighth Five-Year Plan." Most of them are underdeveloped industries. The productive capacity of these projects and the results they bring are important factors that must not be neglected for economic growth in the 1990's. In view of all this, the necessary and appropriate economic growth rates for the next 10 years are: For the GNP, an average growth rate of 6 to 7 percent; the gross industrial output, 9 to 10 percent; and the gross agricultural output, 3.5 to 4 percent.

It is necessary to have a clear idea about the nature of economic growth. Since China still remains in the phase of quasi-industrialization in the 1990's, the extensive production mode and the area, professions, and departments it covers cannot change and decrease quickly.

Therefore, on the whole, it will be relatively appropriate to carry out economic development intensively. We should avoid doing this in haste, lest negative effects should be produced.

Having a clear idea about the nature of economic growth will be of great significance to understanding the main driving force for economic growth. We should look on the economic structure, namely the readjustment, balancing, and upgrading of the industrial setup, as the guiding force for economic growth in the next 10 years, and as a central task for economic development, thus giving good guarantee by means of overall policies. A successful structural change will mitigate the contradiction of fund shortages and will obviously bring into play the role of technology. The improvement of the economic structure, namely the readjustment, balancing, and upgrading of the industrial setup, will be made in the next 10 years by strengthening the production industries of primary products in the exchangeable sectors, namely agriculture and oil and coal in the mining industry. As for the social basic facilities of the non-exchangeable sectors, the emphasis will be placed on transportation and telecommunications. The development of the above sectors will directly promote the development of relevant sectors, which mainly include the production of chemical products, machinery, transport equipment manufacturing industries, and electronics industry. Therefore, in the next five to 10 years, the contribution of light and textiles industries to economic growth will decrease, while that of agriculture to economic growth will remain steady, unchanged, or slightly increased and that of heavy machinery and heavy chemical industries will obviously increase.

Special attention should be paid to foreign trade policies in the next 10 years.

Some of China's productive sectors, for example agriculture and new high-technology industries, can only be better and more quickly brought into a benign cycle in the context of expanding international exchanges. In this connection, it is possible not only to use the comparative advantage to enlarge the scope of resource distribution but also to transform the economic operational mechanism.

The basic principle for economic development in the 1990's is: On the prerequisite of a harmonious and stable society, and through improving the economic structure, namely the readjustment, balancing, and upgrading of the industrial setup, we should ensure necessary and appropriate economic growth rates and expedite industrialization in a steady pace.

To develop the economy in keeping with this principle will have the following characteristics: The consumption level of residents will increase relatively slowly; mid-term investments will increase considerably; the dual structure of industrial development will probably be strengthened; of the fixed assets deposit in society as a whole, the proportion of social basic facilities will increase relatively considerably; the phenomenon will

continue to exist that large numbers of work force will be compelled to remain in rural areas.

The Major Contradictions in Economic Development in the 1990's and the Strategic Choice

From the perspective of the overall situation, it is impossible to eradicate the following contradictions, and they will have a strong limiting effect on economic development.

1. The contradiction between population growth and agricultural resources: The nucleus of the contradiction between population growth and agricultural resources is grain production and consumption. The actual situations of China's population growth and of grain production, and large amounts of research results show that China is very limited in its additional agricultural productive capacity. Even if we take into account the obvious changes that will occur in the growth pattern of the rural economy and the fact that peasants will put more investment in agricultural production, we cannot underestimate the shortages and limitations of agricultural resources. It will still be a very strenuous task to maintain the per-capita grain production unchanged in the year 2000.

2. The contradiction between the population's employment and job opportunities: It is predicted that to provide jobs for the additional labor and for the population currently unemployed, it will be necessary to put an additional investment of 290 billion yuan in fixed assets each year during the "Eighth Five-Year Plan." Labor employment will be a very outstanding contradiction in the "Eighth Five-Year Plan" and the whole of the 1990's.

3. The contradiction between steady economic growth and insufficient investments: In the 1990's, in order to resolve the question of the economic structure, it will be necessary to keep the growth rates of basic industries in step with or faster than the overall economic growth rates. If so, China will need to put an average annual investment of 252 billion yuan in basic industries and to keep the rate of accumulation at and above 50 percent. This is impossible.

4. The contradiction between structural readjustments and the resource distribution mechanism: The current resource distribution mechanism, which is hosted by many units through many channels, is largely driven by interest and to a lesser extent arranged by plans. This results in the quick expansion of general processing industries and the intensifying of structural contradictions. Economic improvement and rectification has only succeeded in controlling economic expansion in the overall environment, but has not eliminated the irrationality of the resource distribution mechanism. Consequently, the resource distribution mechanism, which can be effectively regulated on the whole, involves various structural questions such as the financial structure, banking structure, enterprise structure, price policies,

and debt management. Without deepening the reform it is impossible to resolve this problem.

5. The contradiction between economic growth rates and stabilizing commodity prices and increasing economic returns: In view of the difficulty in deepening reform in the economic structure, it is only possible to choose among growth rates, commodity prices, and returns. So long as society can bear the range of increase in commodity prices, returns can increase to a definite degree, and structural contradictions do not expand, we tend to strive for as high growth rates as possible.

The above contradictions exist in the whole process of economic development in the 1990's. Whether or not China will continue to make steady progress on the road of industrialization depends on whether or not it is possible to effectively eliminate or mitigate these contradictions. In view of the effects of the above contradictions and China's extremely low per-capita possession of resources, the overall strategy of economic development in the 1990's is positively and steadily bringing China's economic development into effective links with the world's economic and trade development and to integrate the outward [wai xiang 1120 0686] cycle and inward [nei xiang 0355 0686] cycle of industries, and to promote economic development in the balance and link between domestic resources and international resources and between the domestic market and international market.

Several Proposals for Policies

First, readjust the industrial setup and expedite the process of industrialization.

First of all, it is necessary to strengthen and aid agriculture and ensure the steady growth in the supply of major agricultural products such as grain and cotton. Second, it is necessary to pay special attention to the technological transformation and upgrading of processing industries. Third, it is necessary to increase the proportion of investment in energy industries, raw material industries, communications, and transportation, and build up and rebuild a number of key projects. This is the key to increasing the overall returns of China's national economy and expediting the process of industrialization.

Second, appropriately increase the level of accumulation and control the excessively quick growth of consumption.

According to the basic principle of development for the next 10 years, the rate of accumulation must be at least higher than the 33 percent in 1989. Only thus can we sustain the 30 percent rate or so of investment in fixed assets.

The raising of the consumption levels of residents in the next 10 years must be controlled below the increase range of labor productivity. The excessively quick growth of residents' incomes is a potential danger in

China's future development. In this respect, many examples can be drawn from the all parts of the world.

Third, maintain necessary and appropriate economic growth rates, as long as commodity prices, economic structure, and economic returns allow.

In consideration of the improvement and rectification of the market and enterprises in the last two years, there is definitely the need to increase economic growth rates. In the "Eighth Five-Year Plan," the average growth rates of GNP should be maintained at 5.5 to 6 percent. The rates should be further increased in the "Ninth Five-Year Plan." The average growth rates of the GNP in the next 10 years should have an increase of 6 to 7 percent.

Fourth, use all policies to limit the excessive expansion of town and township enterprises.

In recent years, the increase in the numbers of equipment [zhuang bei 5944 0271 7345] of per-capita fixed assets of town and township enterprises has been very quick and obviously quicker than state enterprises. It needs to be regulated by means of financial, tax, and material management. For those town and township enterprises that earn good foreign exchange through export and that make good economic returns, we should continue to adopt policies to protect and help their development, and should increase the export of labor-intensive products such as traditional agricultural and sideline products and light processed products.

Fifth, vigorously develop tertiary industries that entail little investment while requiring much labor force.

Comparing the actual need with the possibility, we see that the development of tertiary industries is still insufficient. In the next 10 years, we should relax the policies, bring forth new ideas in management, and develop tertiary industries at home and abroad such as tourism, financial insurance, and business services. The development of tertiary industries not only requires very little investment but also alleviates China's unemployment pressure and promotes the increase in the overall returns of the national economy.

Sixth, increase the extent of China's opening up to the outside and vigorously utilize external resources.

In the 1990's, it is necessary to increase the extent of China's opening up to the outside, earn more foreign exchange, gradually increase the export of labor-intensive products, whose development is suited to China's national condition, into the international market, and increase step by step the proportion in the export of electrical and mechanical products, especially heavy processed industrial products. As for import, it is, first of all, necessary to meet the following two demands: First, the key equipment and equipment manufacturing technology for major industries; second, increasing grain import. Regarding the policy for the use of foreign capital, we should first import advanced technology and high-precision equipment, increase exports and develop

products to replace imported products, strengthen basic industries, and resolutely limit the import of general items.

Seventh, deepen reform in the economic structure.

Reform in the economic structure is an important guarantee for the future development of the economy. In the "Eighth Five-Year Plan," on the matter of plans and the market, we must not give up the state's direct regulation over some enterprises and markets, but the state's regulation must never be directed over the majority of them nor over all of them. Moreover, it is necessary to concentrate, to a certain extent, the financial and material resources. As for market regulation, we should make efforts to develop the factor [yao su 6008 4790] market and improve its functions. And we should formulate, improve, and standardize market rules to ensure fair and legal competition.

In order to ensure the stability of economic order, properly running enterprises, especially large and medium-sized ones, is the ultimate key to the relations between the state and market, and between the market and enterprises, and the standardization of microeconomic operations is the effective prerequisite for ensuring macroeconomic regulation. Reform in the next 10 years should be in the promotion of the establishment of an effective macroeconomic regulatory system, development and improvement of a market system, and the transformation of the enterprise system. Above all, more attention should be given to making new breakthroughs in the transformation of macro-regulation's micro basis so that the majority of enterprises can be wholly or more responsible for their own operational activities. Moreover, the powers to expand the distribution and use of ultimate products should be enhanced correspondingly.

Eighth, readjust the national income distribution pattern.

First, we should increase the proportion of financial income in the national income and the proportion of the central authorities' financial income in the total financial income. Second, we should strictly control wage increases. Third, we should readjust the residents' consumption and expenditure structure, and carry out reform as soon as possible in social security systems including housing, medical treatment, and old age pension, and change the previous practice that the state is responsible for too many expenditures. Fourth, we should strictly keep group consumption under control, and adopt heavy-tax policies for quality consumer goods and luxuries, and continuously encourage individuals to save money and make investments.

Columnist Discusses 10-Year Economic Blueprint

HK2901131491 Hong Kong TA KUNG PAO in Chinese
29 Jan 91 p 2

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "Attach Primary Importance to Economy and Stress Opening Up"]

[Text]

Continuing Political and Economic Reform and Opening

Yesterday, Beijing published the full text of "The CPC Central Committee Proposal on Formulating the 10-Year Program for National Economic and Social Development and the 'Eighth Five-Year Plan'" as adopted by the 13th Central Committee's Seventh Plenary Session toward the end of last December. The 28,000-character, seven-part proposal has set forth the specific indexes and figures of the 10-year economic development, expounded the 12 principles for building socialism with Chinese characteristics, and stressed that China will continue to vigorously push forward political restructuring in a sure and steady way, while proposing five major tasks for reform in the economic legal system. The "Proposal" required an average annual 6 percent of the GNP in the next 10 years, stressed the need to further expand opening up to the world, and the keys to the development in such undertakings as the economy, science and technology, education, culture, and public health. This is a document that will surely rouse attention at home and overseas.

This "Proposal" has left us the deep impression that the central goal of the "Eighth Five-Year Plan" and the 10-year program is to develop the economy, improve people's living standards, and accelerate the development of science, technology, and culture as well as education so that China may enter the 21st century with prosperity, with the nation being strong, the people well-off, and a foothold in the forest of the world powers.

The principle of reform and opening up was first proposed at the 11th Central Committee's Third Plenary Session toward the end of 1978. Since then, China has made marked progress in its urban and rural economies and won praise worldwide. Over the past 10 years, special economic zones have been built, bringing along the economic leap in the coastal areas from east to south China and provinces and regions in the hinterland as well. In the first 10 years, China has realized the goal of doubling the GNP, with a solution to the problem of having enough food and clothing, as Deng Xiaoping proposed. Now China has entered upon the second 10 years, and aims to accomplish the quadrupling of the GNP in the 1990's based on the constant prices in 1980.

Facing Such Bottlenecks as the Population Growth

Tasks stipulated in the 10-year program are arduous. First, China is a large country population-wise; aside from her huge population of 1.1 billion, the annual net increase is 17 million, which is as big as Australia's population. China's construction must be based on self-reliance and building up the country through thrift and hard work, while adhering to opening to the world as a basic national policy. Since the PRC's founding, China has accumulated many experiences, both positive and negative, of which the most liable deviation was impatience for quick results and rushing headlong into mass

action. The blind import at the cost of voluminous hard currencies a few years back for building many repeated production lines of consumer goods (easy-to-pull cans, beer and beverages, electric home appliances such as refrigerators, and color TV sets) resulted in products kept long in stock; moreover, precious hard currencies had to be spent to import raw materials and parts; consequently, production cost was raised, and the products could hardly compete with foreign goods in the home and overseas markets.

The price reform presented two years ago resulted in nationwide panic purchasing, price hikes, and a drastic rise in the inflation rate because of insufficient preparations beforehand. In addition, the "4 June" storm in 1989 greatly impacted on the economy. The inflation rate has markedly dropped, with prices stabilizing through improvement and rectification over the past year or so; however, the phenomena of a weak market and a drop in economic results in a considerable portion of state-run enterprises remain.

Learning From Both Domestic and Overseas Experiences

The Eighth Five-Year Plan and the 10-year program for development were formulated on the basis of reform and opening over the past 10 years by referring to various experiences and lessons, and soliciting the suggestions of nonparty personalities from various circles. They proposed the five basic requirements on realizing the second-step strategic goal in the 1990's, aside from increasing the GNP by three times from 1980, improving people's living standards from having enough food and clothing to being comparatively well-to-do with richer means of livelihood. China will continue to adhere to further expanding opening and foreign economic relations and exchanges. That accords with the will of the people and has been well received in the world.

The series of political and economic turbulences in the USSR and East Europe over the past year are of important referential value to China: Without political and social stability, reform was out of the question. The Gulf crisis last summer also demonstrated that without sufficient national defense, guaranteeing national affluence was also out of the question. The fact that China stresses building socialism with Chinese characteristics and conducting economic restructuring by maintaining a certain degree of macrocontrol is especially important to a country like China. Some necessary principles for maintaining political and social stability are set forth in the "Proposal" precisely to guarantee lasting peace and the smooth going of economic construction in China.

Plans for Economic Development Analyzed

HK3001060291 Hong Kong WEN WEI PO in Chinese
23 Jan 91 p 4

["Special article" by Jen Ke (0117 0668): "The General Trend of Thought on China's Reform and Opening

Up—Tentative Analysis of the CPC Proposal on the 10-Year Program and Eighth Five-Year Plan (Part One)"]

[Text] The orientation and tactics of China's economic development in the 1990's have always attracted overseas attention. The "CPC Central Committee's proposal on the formulation of the 10-year program and 'Eighth Five-Year' Plan for the national economy and social development" adopted at the Seventh Plenary Session of the 13th CPC Central Committee at the end of last month is the general trend of thought on the orientation of China's development in the coming 10 years.

The Text of the Proposal Has Approximately 30,000 Characters

As indicated by its subject, this 27,000-odd character document is a proposal on the program for the orientation and tactics of development in the last 10 years of this century that was unanimously adopted by the CPC Central Committee after drawing on collective wisdom, absorbing all useful ideas, and making repeated revisions. On this basis, the departments concerned will work out a draft of the 10-year program and "Eighth Five-Year" Plan, submit it to a session of the National People's Congress [NPC] for examination and revision, and publish it as an official document.

The "proposal" is divided into seven parts, composed of 72 paragraphs. Two chapters, comprising 28 paragraphs, deal with economic development and the reform of the economic structure, make up about two-fifths of the text, and are the focus of the proposal.

The seven parts of the "proposal" are: 1) The main target of struggle and basic principles for construction; 2) the key points of and regional layout of industries in economic development; 3) the tasks and policies of the scientific, technological, educational, and cultural work; 4) improving the people's livelihood and putting social security on a sound basis; 5) the orientation and tasks of and measures for the deepened reform of the economic structure; 6) further opening to the outside world; 7) the party and people uniting to struggle hard to achieve the 10-year program and "Eighth Five-Year" Plan.

Emphasis Is First Placed on Agriculture and Stability of the Overall Situation

The "proposal" states the main target of China's economic development in the 1990's. The general target is the second step of the three-step strategy for China's modernization as reiterated by the communique of the plenary session. Specifically speaking, the contents are as follows:

First, agriculture is strengthened and developed. The importance of agriculture to China's economic and social stability is self-evident. Apart from stressing the long-term stability of the responsibility system as a basic system and establishing a two-tier management structure by integrating unification with decentralization (namely

integration of peasant unified management with decentralized management), the "proposal" also puts forth that a system of central and provincial grain reserves should be established and the grain wholesale market and futures market should develop. The question of the circulation of the agricultural produce is a big question in the system of the planned economy. The Soviet Union reaped a big bumper harvest last year, but grain was in short supply in cities because this question was not handled well. As China has a vast territory and a large population, it is obviously imperative to properly solve the questions of grain reserves and circulation and to introduce the market regulation mechanism. This is an important guarantee of China attaining a comparatively well-off standard of living.

Floods in Rivers Are Still a Problem

Second, emphasis is placed on water conservancy construction. "The floods in the Chang Jiang and Huang He are still serious hidden trouble of the Chinese nation." The "proposal," therefore, maintains that in the coming 10 years, it is necessary to step up harnessing the large rivers and build a large number of large-sized and medium-sized antiflood, water storage, and diversion projects.

Third, in industry, prominence is given to the development of basic industry, parts of the infrastructure, energy industry, electronics industry, and auto industry but the processing industry is curtailed. In the petroleum industry, the "proposal" puts forward that a strategic principle of "stabilizing the east and developing the west" is adopted, forces are concentrated to develop petroleum of Tarim and Turpan in the west, and it is planned that output of crude oil will increase to 145 million metric tons by 1995. In petrochemical industry, the development of ethylene is regarded as the main work. Output of ethylene in 1990 was 1.5 million metric tons and it is planned that output of ethylene in 1995 is 2.3 million metric tons and 3 million metric tons in 2000. China's output of iron and steel in 1990 was 65.8 million metric tons and the "proposal" puts forth that output will increase to 72 million metric tons and 80 million metric tons in 1995 and 2000 respectively.

Fourth, it is proposed that the process of real estate comprehensive development and housing commercialization be accelerated. The land resources on Mainland China could not be fully and effectively used in the past and the state has appropriated an enormous amount of money to build and repair houses, but the funds recovered have been a disproportionately small amount. If China, vast in territory and large in population, gradually introduces the market mechanism into the real estate industry, it will surely bring about a great effect on its city and town building and the people's consumption pattern.

Fifth, the "proposal" puts forward that it is essential to vigorously develop the tertiary industry so the proportion of the tertiary industry will constitute about one-third in China's national economy.

The Policy of a Small Number of People Getting Rich First Is Reiterated

The achievements in economic development should be embodied in the improvement of the people's living standards. The "proposal" maintains that a part of the people should be continuously allowed to get rich first through honest hard work and lawful operation, and excessively high income should be regulated by the mode of taxation. From this, it can be seen that although the interest distribution mechanism built up in China in the 1980's awaits improvement, as the negation of "everybody eating from the same big pot" and as the arousing of the laborers to give play to their individual enthusiasm, this mechanism of "more pay for more work" will be carried out in the 1990's as the main principle of social distribution. China's reform of the economic structure is linked with the practical interests of the laborers and the "proposal" fully affirms this.

World Bank Loan Yields Results in Rural Reform

OW2901134391 Beijing XINHUA Domestic Service
in Chinese 0655 GMT 29 Jan 91

[By reporter Wang Xidong (3769 2569 2639)]

[Text] Beijing, 29 Jan (XINHUA)—The first \$300 million installment of a rural readjustment loan extended to

China by the World Bank has played a role and yielded good results in instituting the rural land system and the rural enterprise system, and in reforming the grain purchase and marketing system and the rural banking system.

Since July 1987, the Agricultural Credit Company of the State Agricultural Investment Corporation has used the loan to support 19 rural reform experimental zones in 15 provinces and autonomous regions, some agricultural projects for export trade in four coastal provinces, 24 intermediate rural banking facilities, and 107 rural cooperative banking organizations. The loan has created 80,000 rural jobs.

The reporter learned the above information from the "exhibition of results in using the World Bank's rural readjustment loan" being held here.

It has been reported that the rural readjustment loan is the first policy loan the PRC has borrowed from the World Bank. It is mainly being used to support rural reform exploration and experimentation. The Agricultural Credit Company of the State Agricultural Investment Corporation is the sole executor of the loan.

Vice Premier Tian Jiyun and responsible persons of the departments concerned recently visited the ongoing exhibition.

Southwest Region

Guizhou Plans To Help Poverty-Stricken Areas

OW3101103691 Beijing XINHUA in English
0454 GMT 31 Jan 91

[Text] Guiyang, January 31 (XINHUA)—Guizhou, southwest China's poorest province, will help all local poverty-stricken families escape poverty by the end of China's Eighth Five-Year Plan period (1991-95).

Governor Wang Chaowen announced today that the province would accomplish this goal by further pushing a large-scale anti-poverty program. The province will carry out the anti-poverty program in remote mountain areas, which are inhabited mainly by ethnic minorities.

Wang said: "This is the most effective way to lift millions of impoverished rural residents above the poverty line."

The program, which was launched by the Central Committee of the Communist Party of China and the State Council in 1989, is aimed at helping people who have a per capita annual income of less than 200 yuan (54 U.S. dollars), and an annual grain ration of only 200 kilograms. The program was launched in 17 underdeveloped provinces and autonomous regions listed by the State Council.

The program includes the popularization of scientific farming technology, including the use of hybrid seeds, semi-arid farming techniques, and use of plastic sheeting. In addition, the program provides necessary funding, technology, means of production, information services, and raw materials to remote and mountainous areas.

Guizhou Province, one of the 17 designated regions assigned to implement the program, covers over 560,000 square kilometers, of which 80 percent is mountainous.

The region is rich in natural resources, including 2,000 plant varieties, 2,500 types of Chinese medicinal plants, and rich mineral resources. However, the region lacks the technology and funds necessary to take advantage of untapped resources. Consequently the region remains as the largest poverty stricken area in southwest China, the governor notes.

By 1985, over 8.5 million people, 32 percent of the rural population in Guizhou, had difficulty in feeding and clothing themselves, and were forced to live off government relief.

The Bijie Karst region in northwest Guizhou, which includes eight counties with a population of over 5.58 million, abounds in underground resources. However, more than half of the people in the region do not have enough to eat and wear because of the region's severe natural conditions, backward economy, as well as other unfavorable factors.

During the 1986-89 period, the central and provincial governments provided Guizhou with over 910 million yuan in interest-free or low-interest loans. The loans were provided to help 31 poverty-stricken counties change the poor conditions by building 2,463 factories, farms and coal mines.

The anti-poverty drive, which was introduced in 1989, helped introduce modern farming technology to 266,000 hectares in 31 counties. As a result, the per hectare yield of hybrid rice increased by 2,225 kg, and maize by 1,500 kg, according to the official in charge of provincial agricultural production.

The provincial government ordered the adoption of a new loan policy—"borrowing and paying in kind"—in an effort to help poor rural families buy production materials necessary for modern farming.

The policy allows a poor household to borrow fine seed strains, plastic sheeting and chemical fertilizer from local [words indistinct]; the household signs a contract and pays for the borrowed goods with grain after the autumn harvest.

Xu Zhengxiong, magistrate in Bijie County, one of the poorest areas in Guizhou, said that "charity and relief might solve immediate difficulties, but only the implementation of a correct policy and science can help poor farmers really escape poverty."

Xu recalled a previous inspection tour [words indistinct] village, a compact Muao nationality community, during which it was found that [figure indistinct] percent of the farm households suffered from a shortage of food grain the year round.

However, as a result of the anti-poverty drive, the village was able to raise its annual grain output to 93,000 kilograms, and the per capita grain consumption to 500 kg last year.

Xu received many meal invitations from village families during a return visit there last year.

Xiang Huaicheng, the deputy head of the State Council committee in charge of economic development in poverty-stricken areas, said that Guizhou has played an exemplary role in efforts to aid the poor escape poverty. He added that redoubled efforts in the anti-poverty drive in the next five years promises high hopes for success.

Pu Chaozhu Addresses Agricultural Work Conference

HK3101050391 Kunming Yunnan Provincial Service
in Mandarin 1000 GMT 30 Jan 91

[Excerpts] The four-day provincial conference on agricultural work concluded in Kunming yesterday.

Provincial party committee Secretary Pu Chaozhu and provincial Vice Governor Bao Yongkang delivered speeches at the conference.

Under the guidance of the spirit of the Seventh Plenum of the 13th Party Central Committee, the conference summed up and exchanged our provincial agricultural development experiences during the Seventh Five-Year Plan period, discussed our provincial agricultural development in the Eighth Five-Year Plan period, and made arrangements for our provincial agricultural production in 1991.

In his speech, Comrade Pu Chaozhu said: The Fifth Provincial CPC Congress conscientiously summed up the basic experiences of our provincial agricultural development since the Third Plenum of the 11th Party Central Committee, put forward the goals to be attained and the guiding ideology to be followed by our provincial agricultural development in the Eighth Five-Year Plan period, and decided to spend six years or more on building a total of 25 million mu of high-yield and stable-yield farmland of various types from 1990 onward in hopes of pushing ahead with our provincial agricultural development. In order to attain this goal, we must step up construction of water conservancy works and promote agricultural development by relying on science and technology, these being two strategic measures. Now an upsurge of farmland capital construction has been set off throughout our province. After the Lunar New Year Festival, we must concentrate our efforts on teaching and popularizing agriculture-related science and technology, attach equal importance to both construction of water conservancy works and teaching and popularization of agriculture-related science and technology, and set off a new upsurge of learning and applying advanced science in our vast rural areas.

Comrade Pu Chaozhu said: Regarding Yunnan's agricultural development, we have summed up the following three basic experiences:

1. To rely on the enthusiasm of the broad masses of peasants, this being the key link. Our province has a total of 30 million peasants whose strength cannot be underestimated;
2. To strengthen agricultural infrastructural facility building and improve basic conditions of agricultural production. This year or in the next five or six years, all rural areas of our province must carry out farmland capital construction in a down-to-earth manner in order to accomplish the central task put forward by the provincial party committee and the provincial government of building a total of 25 million mu of high-yield and stable-yield farmland;
3. To rely on advanced science and technology and make redoubled efforts to increase per unit area crop yield. Agricultural production development will ultimately be determined by advanced science and technology. [passage omitted]

Provincial People's Congress Standing Committee Chairman Li Guiying and provincial CPPCC [Chinese

People's Political Consultative Conference] Committee Vice Chairman Yang Kecheng also attended yesterday's meeting.

North Region

Wang Tonglin Elected Xingtai CPC Secretary

SK3101070590 Shijiazhuang HEBEI RIBAO
in Chinese 3 Dec 90 p 1

[By reporter Li Xiulin (2621 0208 2651): "Xingtai City Holds Fourth Party Committee, and Wang Tonglin is Elected Secretary of the City Party Committee"]

[Text] The fourth party congress of Xingtai City concluded on 30 November. At the congress, the fourth committee of the Xingtai City CPC Committee was elected.

At the first plenum of the fourth city party committee held on the morning of 1 December, Wang Tonglin was elected secretary of the committee.

Chen Liyou Elected Tangshan Party Secretary

SK3101070190 Shijiazhuang HEBEI RIBAO
in Chinese 3 Dec 90 p 1

[By reporter Yun Jie (0061 2638): "Tangshan City Holds Fifth Party Congress, and Chen Liyou Elected Secretary of the City Party Committee"]

[Text] The Fifth Tangshan City Party Congress concluded on 2 December. Chen Liyou [7115 4539 0645] was elected secretary of the city party committee. The first session of the Third Tangshan City Discipline Inspection Commission elected Miu Shizhong [4924 0013 1813] secretary of the city Discipline Inspection Commission.

Hebei State Functionaries Appointments Reported

SK3101035991 Shijiazhuang HEBEI RIBAO
in Chinese 2 Dec 90 p 3

[Text] On 6 and 13 November, the provincial government decided to appoint and remove the following state functionaries:

Li Zhanshu [2698 2069 2579] was appointed commissioner of the Chengde Prefectural Administrative Office in Hebei Province.

Wang Huazhu [3769 5478 3796] was appointed vice chairman of the Hebei Provincial planned economic commission and concurrently chief dispatcher of the dispatchers' office under the provincial planned economic commission.

Li Zhensheng [2621 2182 3932] was appointed deputy director of the Hebei Provincial commercial department.

Liu Shuhuang [0491 2885 3552] was appointed deputy president of the Hebei metallurgical enterprise group corporation.

Li Guangshun [2621 0342 7311] was removed from his post as deputy secretary general of the Hebei Provincial government.

Xu Qinfang [1776 0530 6078] was removed from his post as deputy director of the Hebei Provincial supervision department.

Wang Qun Attends Rally To Commend News Reports

SK3101041291 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 29 Jan 91

[Text] The first regional appraisal of news reports on national unity and progress successfully concluded recently. Excellency awards were given to 54 and special awards to three news reports on national unity and progress.

This afternoon, the propaganda department and united front work department of the autonomous regional party committee, and the autonomous regional nationalities affairs commission held a joint regional rally to commend the news reports on national unity and progress. Attending the rally were autonomous regional leaders Wang Qun, Bu He, Qian Fenyong, Geriletu, Liu Yunshan, Yang Enbo, Chen Kuiyuan, Wuyunqimuge and Bai Enpei. Also attending were all the comrades participating in the regional meeting of propaganda directors, responsible comrades of the propaganda and united front work departments of the autonomous regional party committee and the autonomous regional nationalities affairs commission, and some comrades from the press units in Hohhot City.

Regionwide competition of news reports on national unity and progress began in June last year, and completed in October. During the period, more than 4,000 news contributions were carried in newspapers and journals, and broadcast throughout the region, averaging about 20 contributions a day. Not only was the quantity of the contributions large, but also their quality was high. The scope of the publicity was also unprecedented. The competition of the news reports has created very good results in society.

Qian Fenyong, deputy secretary of the autonomous regional party committee, spoke at the rally. He urged the vast number of press workers to see the publicity of national unity and progress from a new perspective and with a wider field of vision. He said: To achieve success in construction, we should give attention to stability, and to achieve stability, we should give attention to national unity and progress. This is not only a need in domestic construction but a need in international struggles.

He urged efforts to successfully combine the publicity to national unity and progress with that to accomplishment

of the second-step strategic objective. Through the publicity, we should unify the thinking of the cadres of various nationalities in line with the guidelines of the Seventh Plenum of the 13th Party Central Committee and the third enlarged plenum of the fifth autonomous regional party committee, and make positive contributions to attaining our region's second-step strategic objective.

Speaks on Propaganda Work

SK3101054890 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 30 Jan 91

[Excerpts] After four days in session, the regional meeting of propaganda department directors ended in Hohhot on 29 January.

The basic ideologies for carrying out the propaganda work this year, as defined at the meeting, are to take the theory on building socialism with Chinese characteristics as a guidance; take economic construction as a central link; take unity, stability, and the people's enthusiasm as keynotes; vigorously strengthen propaganda work among the grass roots; further implement a series of policies and principles on propaganda and ideological work as set forth by the central authorities since the Seventh Plenum of the 13th CPC Central Committee; create fine ideological and political conditions and social mass media environments for further stabilizing the economy and social development, and ensuring the smooth implementation of the state and regional Eighth Five-Year Plans and 10-year plans.

Before the conclusion of the meeting, Wang Qun, Bu He, Geriletu, Liu Yunshan, Chen Guiyuan, Wuyunqimuge, and Bai Enpei, leaders of the regional party committee, held talks with the comrades participating in the meeting.

Wang Qun and Bu He made important speeches at the meeting.

In his speech, Wang Qun affirmed that the comrades on the propaganda front have made efforts to do their work and have made outstanding achievements in safeguarding the stability of border areas and promoting the region's economic and social stability.

He stressed: The party's propaganda work should continuously be submitted to the realization of the party's general task and general goal. The urgent tasks at present are to conduct propaganda in a down-to-earth manner, to unify the understanding of the whole party and the people of all nationalities across the region so that they comprehend the guidelines of the Seventh Plenum of the 13th Party Central Committee and the guidelines of the third plenum of the fifth regional party committee, to arouse the socialist enthusiasm and creativeness of all party members and some 21 million people of various nationalities, and to have them work with one heart and soul and fight for realizing the second-step strategic goal.

Wang Qun emphasized: If we pay less attention to our work, we will easily lead the country astray; and if we make solid efforts to do our work, it will be possible to make the country strong. We should turn the guidelines of the seventh plenum into the broad masses of the people's conscious action, arouse the people's enthusiasm, make propaganda work [words indistinct], and continuously persist in the work style of linking theory with practice. We should be sure to comprehensively, accurately, and completely propagate the policies of the party; be good at integrating propaganda and education along the party's line, principles, and policies with the central work tasks of various periods; and carry out the propaganda work in a well-planned and step-by-step manner.

The comrades engaged in the propaganda and ideological work, particularly party-member cadres, should bring their initiative and creativeness into play; go deep to reality to thoroughly grasp the guidelines of the central authorities and the regional party committee, to study the special characteristics of the grass roots and the characteristics of those who propaganda is conducted for, to understand their feelings; and adopt different methods to conduct propaganda among different persons in different periods so as to conduct propaganda work in a specific way.

Wang Qun stressed: We should realistically strengthen the building of the propaganda worker contingent. In conducting propaganda work, we should persist in the principle of party spirit, the goal of serving the people wholeheartedly, and an accurate mass media orientation; and we should strictly enforce propaganda discipline. Propaganda workers should play an exemplary role in study, unity, and construction.

Bu He pointed out in his speech: Our party has constantly paid full attention to propaganda work. This is a political factor as well as a glorious tradition of our party. Today under the new situation where we are fighting to realize the second-step strategic goal, we should put propaganda and ideological work in a more important place in order to bring it into greater and better play. Propaganda and ideological work must be strengthened rather than weakened nor ignored. Party committees and propaganda departments at various levels should have a clear understanding and high awareness of this. [passage omitted]

The four-day regional meeting of propaganda department directors relayed and studied the guidelines of the seventh plenum of the 13th Party Central Committee, the guidelines of the third enlarged plenum of the fifth regional party committee, and the guidelines of the national meeting of propaganda department directors.

Wuyunqimuge made a work report at the meeting. Propaganda departments under various league and city party committees reported on their work experiences, and studied and made arrangements for this year's work tasks.

Inner Mongolia People's Congress Hears Reports

SK3101034890 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 29 Jan 91

[Text] The 18th Standing Committee meeting of the seventh autonomous regional People's Congress held its second plenum this afternoon. Batubagen, chairman of the autonomous regional People's Congress Standing Committee, presided over the session. Entrusted by the autonomous regional government, Badalahu, deputy director of the autonomous regional price bureau and director of the office for checking arbitrary levies of fares, fines and donations, gave a report on the work to check the arbitrary levies. (Gao Jinglong), director of the autonomous regional township enterprise bureau, gave a report on the work of the township enterprises of the region. Wang Liren, director of the autonomous regional environmental protection department, gave an explanation on the revised draft of the environmental protection regulations for trial use of the Inner Mongolia Autonomous Region. (Gao Li), deputy director of the autonomous regional public security department, gave an explanation on the draft methods of the Inner Mongolia Autonomous region for enforcing the PRC law on assemblies, processions and demonstrations. The participants also heard an explanation given by Guan Xiaoxian, vice chairman of the Hohhot City People's Congress Standing Committee, on the regulations of the Hohhot City People's Congress Standing Committee for the formulation of local laws and regulations; and an explanation given by (Ren Dehua), vice chairman of the Baotou City People's Congress Standing Committee, on the regulations of Baotou City for comprehensively tackling public security problems.

Attending the session were vice chairmen of the autonomous regional People's Congress Standing Committee Butegeqi, Zhang Cangong, Seyinbayaer, Xu Lingren, Bai Junqing, Liu Zhenyi, Sha Tuo, Zhou Rongchang and Cui Weiyue. Alatanaoqier, vice chairman of the autonomous regional government, Yun Bulong, vice president of the autonomous regional higher people's court, and Zhang Hesong, chief procurator of the autonomous regional people's procuratorate, attended as observers.

Inner Mongolia Enterprises Develop in 7th Plan

SK3101033091 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 29 Jan 91

[Summary] During the Seventh 5-Year Plan period, the output value of the township enterprises of our region registered an annual increase of 27 percent. The number of the enterprises of various categories throughout the region increased from 220,000 in 1985 to 300,000 in 1990, their staff from 660,000 to 960,000, and their total output value from 1.68 billion yuan to 5.5 billion yuan.

Bonded Warehouses Benefit Foreign Investors

OW3001175291 Beijing XINHUA in English
1432 GMT 30 Jan 91

[Text] Tianjin, January 30 (XINHUA)—Nowadays foreign investors are finding it more convenient to do business with north China's Tianjin City, with the help of the bonded warehouses in its harbor areas.

Such warehouses handle mainly goods belonging to foreign companies which are under customs bond. Agents or consigners of the goods do not have to pay tariffs until transitions are concluded.

Operators of these warehouses distribute the imported goods to consignees across the country or promote goods through sales held at the warehouses.

When the American General Motors Company displayed cars at the warehouses of the Port of Tianjin Commercial Bonded Warehousing and Services Co. Ltd (CBW), it sold more than 100 cars in ten months.

Some Japanese automobile manufacturers followed suit and managed to sell more than 200 cars at a rate of one every three days.

Other foreign companies such as Baxter Healthcare Ltd of the United States are also active in promoting their products through holding exhibitions at bonded warehouses.

According to CBW Manager Zhao Jianwei, the bonded warehouses in Tianjin serve as places of easy access for foreign companies to enter the Chinese market. Also, with their competitive prices, bonded warehouses have been enjoying ever-brisker business since their establishment in recent years.

Overseas companies with small trading volumes and longer-term cooperation with their Chinese partners find bonded warehouses especially convenient, the manager said.

A joint venture with the Royal Nedlloyd Group of the Netherlands, CBW is the largest bonded warehouse in Tianjin, covering 45,000 sq m.

Northeast Region**Heilongjiang Official Assesses Economic Situation**

SK2901000191 Harbin HEILONGJIANG RIBAO
in Chinese 22 Nov 90 p 2

["Excerpts" of speech of Heilongjiang Province Vice Governor Du Xianzhong, at a 21 November report meeting of provincial departments on the large-scale discussion on promoting stable economic development: "Correctly Understand Our Province's Current Economic Situation"]

[Text] **Major Characteristics and Problems in Our Province's Economic Situation**

Since the beginning of this year, our province has conscientiously implemented the guidelines of the fifth and sixth plenums of the 13th party Central Committee and the guidelines of the fifth and sixth plenums of the sixth provincial party committee, further facilitated the economic improvement and rectification, and started implementing the plan of "developing the province through science and technology," thus promoting the economic and social development of the province, achieving good results in the economic improvement and rectification for the present stage, and effecting a turn for the better in the economic situation. Major signs were as follows:

First, inflation was effectively brought under control, and the economic order notably improved. Commodity prices were fairly stable in the province, and the scope of price rises was by and large kept within the plan. Calculations for the first 10 months showed that the general index of retail prices rose 4.2 percent. The general index of retail prices is expected to grow by seven percent in the whole year, which marks the most stable commodity prices in recent years. Commodity supplies were sufficient and rich in varieties in urban and rural markets. Despite the weak sales of some commodities, the purchases and sales of daily necessities and means of agricultural production remained brisk, and their sales picked up monthly.

Second, the rural economy developed steadily, and an overall bumper harvest was reaped in agricultural production. Grain output exceeded 20 billion kg, putting an end to a six-year stagnation in the production, and hitting an all-time high. The production of cash crops grew substantially, and more than 6 million tons of beets were purchased. Animal husbandry development maintained a good trend. The annual agricultural output value may reach 13 billion yuan, up 12.9 percent from the preceding year, of which the output value of animal husbandry will grow by 11.1 percent. The output value of township enterprises may reach 15 billion yuan, up 9.2 percent.

Third, initial success was achieved in adjusting the industrial composition, and the downturn in industrial production was checked. In the first 10 months, such basic industries as coal, electricity and oil production registered steady growth, with the output of raw coal increasing by 8.8 percent and that of electricity 6.7 percent. The growth rate of basic industries was notably higher than that of the processing industry, and their proportion became more rational. Industrial production began to pick up in July. Industrial output value registered a 2.6-percent increase in September, and a 4.3-percent increase in October. By the end of October, the province's industrial output value totaled 39.07 billion yuan, showing a slight decline from the corresponding period of the preceding year. The annual output value of industry (including village-run industry) is expected at 51.2 billion yuan, equivalent to 95 percent of the annual target, and remaining the same as in the preceding year.

Fourth, investment in fixed assets was brought under control, and construction of key projects was accelerated. In the first 10 months, the investment in fixed assets made by state units totaled 6.2 billion yuan in the province, down 8.4 percent from the corresponding period of the preceding year. Of the total, 4.37 billion yuan was made in capital construction, down 8.8 percent, and 1.83 billion yuan in technical transformation, down 7.1 percent. While controlling the investment in fixed assets, the province achieved smooth progress in the construction of key projects, with construction proceeding rapidly, and many projects completed and commissioned. In the 52 key construction projects, 2.88 billion yuan was made in the first 10 months, accounting for 70.6 percent of the annual quota. The main parts of the 17 projects and two single-item projects planned to be completed and commissioned this year may be completed and commissioned by the end of this year. It is expected that by the end of this year, investments in fixed assets will reach 16.61 billion yuan, up 5.1 percent from the preceding year. Of the total, 13.48 billion yuan is made by state units, up 4.3 percent; 610 million yuan by collective units, up 8.9 percent; and 2.52 billion yuan by individuals, up 8.6 percent.

Fifth, foreign export trade continued to increase, and new headway was made in opening to the outside world. In the first 10 months of this year, the province as a whole (excluding border trade and local trade) accumulatively exported \$740 million worth of products, 102.4 percent of the annual quota. The total import and export volume of the border trade with the Soviet Union amounted to 520 million Swiss francs (of which, 390 million was made by the province and 130 million by Harbin City), and this figure is expected to surpass 600 million Swiss francs by the end of this year. Meanwhile, the province approved 66 items for foreign capital utilization, with the sum of foreign capital to be utilized reaching \$24.22 million. In addition, the utilization of foreign government loans and the World Bank loans developed steadily.

Sixth, the drive for "invigorating the province through science and technology" began taking steps, and living standards of urban and rural people improved somewhat. In the field of agriculture, the province as a whole popularized a total of 33 new technologies, thus energetically promoting grain production and the development of animal husbandry. In the field of industry, it is estimated that this year the province will complete the development of 700 new products, which will realize 650 million yuan in output value and 97.19 million yuan in profits and taxes. On the basis of developing production, living standards of the province's urban and rural residents improved somewhat. It is estimated that this year the total annual volume of wages to workers and staff members will reach 12.637 billion yuan, a 19.5-percent increase over the previous year, of which, the wages of workers and staff members of enterprises will increase by 24.6 percent, and wages of workers and staff members of establishments by 16.7 percent. The average wages of

workers and staff members are expected to reach 1,935 yuan, a 15.3-percent increase over the previous year. The per-capita net income of peasants throughout the province is expected to be 600 yuan, a 12.1-percent increase. Since the beginning of this year in particular, the saving deposits of urban and rural residents have shown a substantial increase. By the end of October, saving deposits of urban and rural residents throughout the province amounted to 29.55 billion yuan, 6.19 billion yuan more than the figure at the beginning of this year. It is estimated that by the end of this year saving deposits of urban and rural residents will reach 30 billion yuan. It can be said that this is one of the years effecting a most marked improvement in people's living standards over the past 10 years.

The above-mentioned situation shows that some achievements have been scored at the present stage of the economic rectification drive; and the general trend is good, is developing towards a healthy direction, and has begun to enter a period of transition. What has happened in the past proves the correctness of the policy decision adopted by the CPC Central Committee and the State Council with regard to improving the economic environment, rectifying the economic order, and deepening reform, and the correctness of the various policies and major measures governing economic development adopted by the provincial party committee and the government. In particular, the 50 policy measures recently drawn up by the provincial party committee and the government for promoting industrial production and for increasing economic efficiency are feasible policy decisions of great significance. These 50 policy measures have garnered universal support, and have greatly mobilized the initiative of enterprises as well as workers and staff members.

Above are the major fields of the current economic situation, or, in other words, the main trends. Additionally, it must be noted that the current situation facing the province's economic work remains arduous due to the restrictions by various factors. Although the province's economic work is tiding over the most difficult period, it has not yet extricated itself from the difficult position of stagnation. The problems accumulated from the past several years have mingled with new contradictions, the difficulties of various fields have been relatively concentrative, quite a few deep-rooted problems are unraveling, and the task of economic rectification remains extremely arduous. At the moment, major indicators of economic difficulties are as follows:

First, industrial production is still being operated at low speed and low efficiency. From January to October, the national industrial production registered a 4.1-percent increase over the corresponding period last year, and in October, a 12.7-percent increase was registered. In our province, however, the figures were minus one percent and 4.3 percent respectively. This means the province's industrial production has been picking up in a weak manner. Particularly, the cycle of industrial reproduction has not been smooth, and economic efficiency has

not improved. By the end of October, the provincial volume of industrial loans was 23.56 billion yuan, an increase of 36.7 percent over that at the beginning of the year. Products and manufactured goods of enterprises occupied too much of the funds, and almost half of the loans lay idle in warehouses.

According to statistics from 2,566 state enterprises compiled by the industrial and commercial bank, the amount of debts they owed one another totaled 13.05 billion yuan at the beginning of the year, and were expected to have increased to 18.5 billion yuan by the end of October. This showed the very serious situation whereby enterprises cleared off debts on the one hand, but continued to borrow money on the other. The economic efficiency of enterprises declined. In the first 10 months, the income from sales of the budgeted industrial enterprises of the province dropped by 8.9 percent, and the profits and taxes they created by 38.4 percent. A total of 48.3 percent of the enterprises suffered losses, and their deficits increased 1.84 times. According to statistics of the province's 7,560 enterprises at and above the county level that enforced the independent accounting system, the number of enterprises suffering losses had increased to 28.7 percent by the end of August, their deficits totaled 2.09 billion yuan, up 760 million yuan, or 57.8 percent, from the corresponding period last year, and the profits and taxes they created declined by 28.9 percent. Their place in the amount of profits and taxes dropped from fourth in 1980 to 14th in the country, that in the amount of profits and taxes created by per 100 yuan of output value (14.1 yuan) from first to 24th, and that in the amount of profits and taxes created by per 100 yuan of funds (10.4 yuan) from sixth to 27th. This showed that the decline in efficiency had yet to be improved.

Second, finance became increasingly strained. In the first 10 months, the province's revenue totaled 5.47 billion yuan, accounting for 76.1 percent of the annual budget, which was 5.7 percentage points lower than the planned average progress (excluding the seasonal revenue from agricultural taxes), or 400 million yuan less than planned. It showed a decline of 0.7 percent from the corresponding period last year in terms of comparable standards. When Harbin City was excluded, the province's revenue totaled 4.01 billion yuan (excluding the seasonal revenue from agricultural taxes), 8.6 percent lower than the planned average progress, or 450 million yuan less than planned. It showed a decline of 1.8 percent from the corresponding period last year in terms of comparable standards. The province's expenditure (excluding Harbin City) totaled 4.65 billion yuan in the period, down 2.2 percent from the corresponding period last year in terms of comparable standards. The present amount of enterprises' default payment of taxes exceeded 300 million yuan in the province. Even if the revenue is increased through the methods of clearing off debts, tapping potential and conducting large-scale tax, revenue and finance inspections, the revenue will still be approximately 200 million yuan less than as budgeted. Therefore, the financial situation is very grim.

Third, market sales fail to pick up rapidly. In the first 10 months, the volume of commodity retail sales in the province showed a 1.3-percent increase over the corresponding period last year. When allowing for prices hikes, however, it registered a negative increase. In particular, rural markets remained sluggish. In the first 10 months, the volume of commodity retail sales of rural state and cooperative commercial units came to 4.34 billion yuan, down 5.5 percent from the corresponding period last year. State and cooperative commercial units lost 86 million yuan in the first 10 months. Compared with the corresponding period last year when they registered a net profit of 55 million yuan, the difference was 140 million yuan. Sales of the means of production was also stagnant, and much of the funds were held up in the inordinately overstocked goods. By the end of October, 5.06 billion yuan were tied up in the stockpiled products and manufactured goods of the budgeted industrial enterprises of the province, up 38.3 percent from the corresponding period last year. Some products which were undersupplied in the past, such as raw coal, timber, rolled steel, cement, ethylene, gasoline, vehicles, tires, oxalic acid and white sugar, became overstocked at varying degrees. This situation was something difficult to endure for such a large raw material producer as our province.

Fourth, factors leading to social instability increase. Obstacles in the operation of the economy have led to a series of factors for instability. In addition, according to our estimation, the period from now to around the Spring Festival, and even to the end of June next year, the economic activities of our province will face rather great pressure. These factors for instability are as follows: 1) The number of the enterprises which totally or partly suspend production will increase again. 2) The pressure on employment work will become greater and greater, which will become a major factor for instability if no proper arrangement is made for it. 3) Efficiency and revenues will continue to decline, which is bound to weaken the economic strength of the government at various levels for regulating and controlling prices and markets, for carrying out social relief work, and for ensuring social stability.

4) The danger of inflation still exists. In particular, after the state relaxes the scale of retrenchment and set forth some price readjustment measures, the failure in macro-economic regulation and control will surely bring about new excessive expansion of the economy, and will probably cause new inflation. Therefore, in the course of overcoming the shortage of immediate demands, we must adopt effective measures to avoid inflation and inadequate supply of people's daily necessities. 5) Economic difficulties have made some departments adopt abnormal means to handle the contradictions in the economic life, such as, switching off power mains to restrict supply, freezing wages, and imposing sanctions. During a difficult period, it is very likely that some intemperate and unreasonable behavior will be seen; and as soon as such behavior arises, the consequences would be too ghastly to contemplate.

From the aforementioned summary, we may roughly come to an outline of economic operation, that is, developing from market sluggishness to overstocking of products, to the slide in industry, to the drop in efficiency, to inadequate collection of revenues, and to the increase in unstable factors. Worse still, such an unfavorable cycle is mingled with an inadequate fund supply in economic operation and with increasingly more "cross-defaults." Such an abnormal cycle and chain reaction has decided the fact that it is arduous and rigorous for our province's economy to break with the difficult position of "stagflation." Hence, in the course of fully affirming the general trend of the national economy, we should not overestimate the results achieved in the economic rectification drive. We should have a full and sober understanding of those deep-rooted problems and difficulties which have bothered our economic work. In particular, we should make a scientific analysis of the immediate and remote causes of the current economic difficulties. This is the only way for us to make a correct choice and find out a practical way out under the current complicated circumstances.

How To Analyze the Difficulties Facing the Province's Economy

Then, how on earth should we acquire a correct understanding of the province's current economic situation? Particularly, how should we make a correct analysis of the difficulties facing the province's economy? In my opinion, these questions may be answered from a Marxist philosophic point of view.

First, we should approach questions in an objective manner. Of the difficulties we face now, some are temporary ones of an accidental nature. Generally speaking, however, these difficulties are a concentrated exposition of the deep-rooted contradictions existing in the economic life for many years. Since the founding of the PRC, impatience for quick results and the lopsided pursuit of high growth rate regardless of the national strength in formulating the guiding ideology for economic development have on many occasions made the national economic life suffer from the excessive rate of production growth, the overly large scale of construction, and the excessive distribution of income. As a result, our economic operation has experienced violent ups and downs as well as serious cyclical fluctuations. In recent periods, major indicators of such problems are the imbalance in the total volume of the national economy and the disproportion in economic structure. Since 1984, our country's total demand has outstripped the total supply by as much as 11 to 16 percent, or by 100 billion yuan or more, every year. The long-standing disproportion in economic structure has recently manifested itself as the serious disproportion between industry and agriculture, as the serious disproportion between the development of the basic industry and infrastructure and the development of the ordinary processing industry, and as the serious stagnation in the development of the tertiary industry, including the circulation industry. From 1985 to 1988, the ratio between

the average industrial and agricultural growth rates was 4.5 to one, and the comprehensive agricultural production capacity was very weak. In the last 10 years, the proportion of basic industry in industry as a whole has declined by 7.5 percentage point, thus aggravating the contradictions between supply and demand. The annual national power supply average has fallen short of the demand by 70 billion kwh, and the railway transportation capacity has met the current demand of cargo transportation by only about 65 percent.

According to a rough calculation, due to the strained capacity for the production of undersupplied goods and the excessive capacity for the production of oversupplied goods, about 40 percent of the industrial production of the country was carried out in vain or wasted, reducing or creating losses in output value, and the amount of profits and taxes by 400 billion and 50 billion yuan, respectively, each year. For many years, efforts were called for to pay attention to these problems, and economic adjustments were made several times, such as several major regulating and controlling acts designed either to relax or to tighten control carried out from January 1984 to March 1986, from April 1986 to February 1988, and from March 1988 to today. However, these acts failed to solve the problem once and for all as economic development did not proceed at the same pace as the upgrading of the industrial composition and the transformation of industries. The major ratios of industry and agriculture, of basic industries and the processing industry, and of the primary, secondary and tertiary industries had to be adjusted almost every three to five years, and almost all the adjustments were designed either to expand or reduce certain industries without changing the structures, thus causing fluctuations. For this reason, the presently serious unbalanced industrial composition is the important deep-seated reason for the overheated economy, the imbalance between total supply and total demand, the poor economic efficiency, and the sluggish sales of some products, and also the major obstacle preventing the national economy from coming out of its difficulties. The several economic adjustments of the country since 1979 and the negative influence of inflation in the past few years have, in fact, objectively enabled an irregular economic cycle to take shape in the economic activities of our country. In addition, due to sluggish and unbalanced adjustments in industrial composition and technological progress, this irregular economic cycle has imposed a greater impact on the economic activities. In such a condition, Heilongjiang Province, as an important part of the economy of the country, is bound to suffer its influence. In particular, due to the influence of some special factors in our province, such as the industrial composition and the ownership system, our economic difficulties will be more complicated and serious. As everyone knows, our province is an important industrial base for the country where the industry of public ownership, heavy industry, and large and medium-sized enterprises account for very large proportions. In the industrial composition, the output value of the industry of public ownership

accounts for 64 percent of the county, but 81 percent in our province; the output value of heavy industry accounts for 50 percent in the country, but 65 percent in our province, the output value of large and medium-sized enterprises accounts for 47 percent in the country, but 60 percent in our province, and the output value of central enterprises accounts for 16 percent in the county, but 35 percent in our province. Such a pattern of emphasizing heavy industry and "large-scale industry" will subject our province to the restrictions from the economic fluctuation of the country to a greater extent. After the state adjusted the extent of retrenchment, provinces whose economies picked up fairly rapidly were Jiangsu, Shandong, Guangdong and Fujian, which have an economic pattern emphasizing light industry, with a smaller proportion of mandatory plans, and fairly developed light industry, processing industry and township enterprises. Our province rather lagged behind in this aspect. Judging from the branches of the industry, the problem becomes even more conspicuous. For example, the machinery industry accounts for 15 percent of the entire industry of the province, most its products are geared to the needs of the entire country and covered by mandatory plans, and 71.9 percent of the products are supplied to other provinces. For this reason, the growth of our province's machinery industry is directly decided by the total amount of investment of the country. Take 1985 for example. The investment of the country increased by 41.8 percent in that year, and that of our province by 22.4 percent. Look at 1989. The investment of the country registered a minus 8.2-percent increase, and that of our province a minus 0.3-percent increase. The country has reduced the investment in fixed assets since the beginning of this year. Although the policy was relaxed somewhat in the past few months, the output value of the province's machinery industry in the first eight months decreased by 14.2 percent, or 497 million, from the corresponding period last year, which made the province's industrial growth drop 1.5 percentage points, because the investment in relevant industries failed to catch up. Another example is the lumber industry. Due to the restriction of resources, and a reduction of timber demand resulting from the state's policy of limiting production and capital construction, the output value of our province's lumber industry declined by 20.8 percent, or nearly 300 million yuan, in the first eight months of this year as compared with the corresponding period last year, which made the province's industrial growth drop 0.9 percentage points.

In addition, as our province's local financial resources are limited, the province's investment in fixed assets is rather weak in pulling up the industrial production. This is also a factor we must not neglect. According to statistics of the first eight months of this year, our province alone raised a mere 620 million yuan for construction projects, down 41.5 percent from the corresponding period last year; and the total amount of investment in fixed assets declined by 7.3 percent from the corresponding period last year, a difference of 13.4 percentage points as compared with the 6.1-percent

increase registered in the country. Calculated according to the input-output matrix of our province, this made our industrial output value decrease by 336 million yuan, and our industrial growth rate by 3.3 percentage points. Therefore, the special position of our province in the country's economic construction, and its special industrial composition decide, to a certain extent, our province's economic development, and especially the fact that our province's development will be held up during the economic adjustment to a greater extent than others'. We simply cannot compare with Guangdong Province which has a "3:3:4" industrial composition (that is, 30 percent of the products are exported, 30 percent are supplied to other localities of the province, and 40 percent are for use in the province). In this sense, due to different positions in the division of the economic work in the country, and different industrial compositions, different provinces will encounter different pressures and adopt different measures to handle the relationship between the whole and the part in terms of economic interest, and will be different in their capacity to accept the regulating role of the market mechanism. This is also an important reason for the difference in the economic development of various provinces under the same economic development background.

Second, we should judge issues from historical viewpoints. For the past 10 years and for a long time to come, what was and will be the most important task or difficulty in China's development of the planned commodity economy? In my opinion, it is the establishment of a market-oriented economy based the coexistence of the various sectors of the economy with public ownership remaining predominant. This requires that the planned economy coordinate well with the market regulation. This is a process for systematically and fundamentally change the track of the mechanisms of the entire national economy. In this process, the most central change is the change of the mechanism of the disposition of resources. Speaking in simple words, it is an issue of who will regulate, through what measures and to what extent, the distribution of resources in the process of social production. No doubt, this is an issue undertaken by state plan under the system of the planned economy. Under this system, the people's thoughts about the economy is that based on the existing production equipment, raw materials are organized in line with state plans or the plans of local governments for production activities, and products thus produced are sold once again according to plans. People are used to considering production mainly. However, as we are now developing the planned commodity economy, they should consider the market to the maximum. Judging from the macroeconomy, the force that is the least negligible in the mechanism of the disposition of resources is the development of the regulating role of the market. Judging from the microeconomy, marketing is the most crucial link in the modern production and management of enterprises. The thought compatible with this should be that based on the situation of marketing, or guided by market demand, commodity production and development of products are

organized, equipment is updated and renovated, and product mix adjusted in a timely manner. In this sense, the systematic change of the track of the mechanisms of China's economy consists of three changes in the mechanism of the disposition of resources, in the industrial composition, and in the thought about the economy. Only when the three changes are made simultaneously can we ensure the sustained, stable and coordinated development of the national economy. Our current difficulty is exactly the failure to effect the three changes simultaneously. Especially in the economic improvement and rectification, a fairly large number of people continue to organize production and management activities based on the traditional thought, stick to the old ways to resolve the new contradictions and new problems, and treat symptoms but not the disease. As a result, all the funds that are invested are tied up, the national economy cannot be put in motion, and the debts that enterprises owe one another are increasing. In addition, we have not properly handle the relationship between the macroeconomy and the microeconomy, between centralism and decentralism, and between the plan and the market force for many years.

It is correct to reform the defect of the original economic system which places lopsided emphasis on centralized management to the neglect of microeconomic flexibility, but lopsided emphasis on microeconomic flexibility and decentralization has led to loss of control over the macroeconomy, and inordinate decentralization of financial resources; and it is correct to reform the defect of the original economic system which places lopsided emphasis on regulation through planning to the neglect of regulation through the market, but lopsided emphasis on regulation through the market will weaken and even totally negate the planned economy. This explains profoundly that our understanding and practice of the planned commodity economy should unavoidably undergo a historical process of exploration, and the change of the mechanisms of the economy should also undergo a historical process. Our current problems are mainly problems in the process of progress, and difficulties in the process of reform and development. They can be overcome and resolved totally through in-depth economic improvement and rectification. As far as our province is concerned, more time may be needed for our province to effect the change because of its special conditions, and therefore our province will have to pay more for the change.

Third, we should judge issues from dialectical viewpoints. Since the economic improvement and rectification started, our country has adopted a series of retrenchment measures to control the inordinate growth of demand, which, of course, have yielded some negative effects. For example, the growth of wages and bonuses was controlled, bank interest was raised twice, value-guaranteed service for fixed saving deposits was opened, more construction bonds were issued, institutional purchases were restricted, the prices of some commodities were raised, and the exchange rate was adjusted twice.

Due to too many measures taken at the same time, market demand was restricted too much, and the burden of enterprises increased. Large-scale reduction of the investment in fixed assets reduced the demand for the products that required investment, which directly affected the production of heavy industry, such as building material and construction industries, and especially machinery and electric industries which accounted for one-third of the heavy industry. As far as the investment of funds was concerned, we brought loans under strict control, which restricted large and medium-sized state enterprises first, making it difficult for them to continue production due to a lack of funds. Our practice of tightening control first and then relaxing it made enterprises borrow money from one another, and their debt chains have yet to be broken. Facing the fairly great changes in the market situation, many enterprises failed to change their lines of production in a timely manner, and continued to produce the unsalable goods, thus making more products overstocked and more funds tied up. Meanwhile, in our efforts to improve and rectify the order in the circulation of goods, we neglected the work to give play to the normal role of circulation in promoting production, and failed to adopt necessary measures and means to provide necessary funds and other supporting conditions to departments charged with the circulation of goods. As a result, the volume of the means of subsistence and the means of production purchased by commercial and material departments declined, and state departments charged with the circulation of goods could not effectively play their role as the major channels for obtaining and storing goods. This led to an extremely abnormal phenomenon: large amounts of the products of industrial enterprises were stockpiled on the one hand, and the goods in stock of the departments charged with the circulation of goods was reduced on the other hand. This made it difficult for enterprises to buy materials, sell goods and carry out production. The aforementioned was a negative influence. On the other hand, however, we should see through the appearance of the current difficulties and the negative effect of the economic improvement and rectification to get at the positive influence created by the economic improvement and rectification, and the favorable conditions we possess for eliminating the difficulties. We should fully understand that the current difficulties bring us not only pressures and challenges but also opportunities for development. We should see that favorable conditions are opportunities, but so are difficulties and contradictions. We should not only attach importance to the opportunities brought by favorable conditions but also attach importance to and be good at using the opportunities brought by difficulties and problems. We have had many examples of this, such as Gou Jian, the king of Yue who slept on firewood and had gall hung over his bed to remind him of the bitterness of his defeat and prepare for a comeback.

First, inflation has been controlled; the excessively high industrial growth rate, the unduly large construction scale, and the overheated consumption demand have

been brought under control; and the circulation order has preliminarily been balanced. All this helps provide a fine and necessary economic environment for further promoting a sustained, steady, and coordinated development of the national economy. Second, the "periodic" law governing the development of the economy and the successful experiences gained by the places at home and abroad showed that the period when the overall economy is at low ebb is an opportune moment to readjust the industrial structure, the product mix, and the price structure. In particular, the state-formulated measures for readjusting prices that are to be carried out in the near future will be conducive to helping some of our province's industries alleviate some long-term difficulties. Third, at present, some markets are sluggish because we have to go through the process of eliminating those fake, poor-quality, and outdated products. This is conducive to readjusting the product mix and changing the people's way of thinking. Fourth, our province reaped bumper agricultural harvests, industrial production rose after a fall, market sales became brisk, and the foreign export trade volume increased. In particular, the "50" policy measures are producing great effect. This not only is conducive to stabilizing both urban and rural markets but also has provided a reliable material foundation for next year's economic development. Fifth, at present, the nation-wide consumption demand is rising after a fall and investment demand is going to attain the desired level. The state is to relax the scale of the investment in capital construction. This has produced a great and positive effect in the overall survival of the province's economy. In short, we should adopt dialectical points of view to judge the problems. We should not only be sober-minded to see the grim economic situation but also fully analyze and use our favorable conditions and opportunities. Only by so doing can we have prospects for tiding over difficulties.

Our major aim in analyzing the province's economic difficulties in this manner is to guide the people to separated the reasons from the big picture, find the crux of problems from deep layers, find the way out from strained circumstances, and strive to make great accomplishments during this transitional period. However, at the time of analyzing the objective situation, leaders at various levels must make self-examination and measure whether they have done a good job in guiding the current work and solving the most urgent problems. Just as Comrade Sun Weiben stressed: "We should emphatically find reasons from the subjective situation and from our practical work." This is also a common understanding of the provincial party committee and the provincial government in regard to overcoming the current economic difficulties. What major lessons have we gained? Comrade Sun Weiben maintained that we failed to concentratively attend to the economic work for a period of time or to form cohesive power. Comrade Shao Qihui analyzed the situation at the provincial industrial conference. He said that after analyzing the government work, we know that we failed to do the work in the following two spheres: One is that we failed to

firmly implement the principle of ensuring a sustained, steady, and coordinated development of the economy; the other is that our policy decisions have been made without systematic and quantitative analysis of the trend. In regard to the guiding ideologies, some are impatient for quick success, some do not fully understand the principles of retrenching funds and reducing investment, and some fail to effectively attend to the readjustment of the industrial structure and the product mix. In making policy decisions, some pay only attention to studying the static relationship before implementing countermeasures but fail to study the effect to be produced in the course of implementing policies. Therefore, we failed to grasp the degree of retrenchment, to appropriately readjust the microeconomy, or to reduce the shock of the national economy to the minimum.

Major Tasks Ahead of Leaders at Various Levels

The major tasks ahead of party organizations, governments, and leading cadres at various levels are to have a firm belief, overcome difficulties, adopt effective measures, and concentrate energy on attending to the economic work.

First, we should enhance understanding, and achieve unity in thinking. To change the current economic downturn, we should enhance understanding, and achieve unity in thinking. Secretary Sun Weiben expounded this very profoundly at a conference of prefectural, city, and county party secretaries and responsible persons of the departments directly under the province. He urged us to achieve unity in our understanding of the importance and urgency of economic work from a political perspective, to achieve unity in our understanding of the need to uplift our spirit and develop our subjective initiative, and to achieve unity in understanding that the basic principle is to change the downturn. He also urged us to take in-depth reform as the motive force, structural adjustment as the focus, invigoration of demands and expansion of the market as the prerequisite, and achieving a proper growth rate and improving efficiency as the goal. The key to this is to achieve a common understanding of the unity between achieving a proper growth rate and improving efficiency. According to the guidelines of Secretary Sun Weiben's speech, I think that we should first understand the importance and urgency of changing the economic downturn from political perspective. If we say that it was very necessary and totally correct to shift the focuses of the work of the entire party 10 years ago, it is then all the more important to further emphasize the promotion of economic work today when the international communist movement and the socialist cause encounter a severe test, and our country encounters economic difficulties. This is because only when economic work is promoted, and people live and work in peace and contentment can we truly achieve social and political stability; and only when economic work is promoted, and the country is prosperous and strong can we have a greater right to speak in international affairs, occupy a position compatible with our status as a large developing country with

more than 1 billion people, win a peaceful international environment, and frustrate the "peaceful evolution" of international hostile forces. Therefore, to leading persons at various levels, promoting economic work with concentrated efforts is an unshirkable political task. We should have a very clear understanding of this. At present, we should pay particular attention to avoiding and overcoming the following tendencies. 1) We should avoid and overcome the tendency of being pessimistic and disappointed in face of difficulties, and leaving things as they are. Our cadres at various levels should stand tests. "The force of the wind tests the strength of the grass." The more we are in a difficult situation, the more we should lift our spirit, face up to difficulties, actively make progress, and solve problems calmly. Although the market is weak, our spirit must not be; to invigorate the economy, we should first invigorate our thinking; and to change the economic downturn, we should first guard against the spiritual downturn. We should note both the grim side of the economy and the favorable conditions for us to overcome difficulties, and, through meticulous and down-to-earth work, turn the unfavorable conditions into favorable ones, and brave difficulties to make progress. 2) We should avoid the tendency of being overanxious for quick results in economic improvement and rectification. The central authorities recently urged efforts to shift the focus of economic improvement and rectification into structural adjustment and improvement of efficiency. This did not mean that economic improvement and rectification had been completed. Instead, it means that economic improvement and rectification are developing in quality, and the tasks are even more arduous. As was proven in the economic investigations of the past few years, we should not be overanxious for quick results either in construction, in reform and opening up, or in the economic improvement and rectification. We should work in a down-to-earth manner, shift the focus of economic improvement and rectification to structural adjustment in a timely manner, and seek stability, development, and efficiency through structural adjustment. 3) We should avoid the tendency to use the sluggish market to cover up the gap in our work. We should not attribute all our problems to the sluggish market. Why is it that faced with the same sluggish market, some enterprises achieve efficiency while others of the same trade do not and even suffer losses? The key to this still lies in work, in personnel, and in leading persons.

4) We should avoid the tendency of seeking high growth rates blindly at the expense of economic efficiency. At present, everyone is anxious for increasing growth. Such a feeling of urgency is understandable. However, without invigorating the market and promoting sales, it will be difficult for us to end the vicious cycle if we invigorate production through bank loans alone. For this reason, we should put more efforts into opening up the market, invigorate production through the market, raise efficiency through promoting sales, and pursue realistic growth rates.

Second, we should comprehensively mobilize and pool the efforts of all quarters. To change the current economic downturn, governments and departments at various levels, under the unified leadership of party committees, should be comprehensively mobilized. They should pool their efforts to perform their responsibility of organizing local economic and social development focusing on the central task of economic construction in order to promote economic work conscientiously. Governments at various levels should further clarify the guiding thought of developing the economy in a sustained, stable, and coordinated manner. They should strive to understand and become familiar with the law governing economic work, intensify investigations, and study to gain first-hand materials. They should do a good job in analyzing trends and following up with examination and guidance. We should make ceaseless efforts to increase our ability for implementing the major principles for economic work and we should raise the policy-making level. At present, we should particularly emphasize proceeding from reality, doing realistic work, and achieving practical results. We should both attach importance to growth rates and emphasize efficiency; we should achieve unity between the two. When growth rates contradict efficiency, we should unswervingly take economic efficiency as the focus. Never should we shift the pressure to lower levels and assign them high quotas of output value. Otherwise, although output value would be increased, products would be stockpiled in warehouses. Not only would this be inefficient, but also funds would be tied up. Judging from the microeconomic viewpoints, enterprises will have to bear the burden of interest for loans and the burden of deficits from selling their products at reduced prices. Judging from the macroeconomic viewpoints, when bank funds are tied up in warehouses, loans for capital construction and technical transformation are affected, making it difficult to meet the demand for investment; and the funds for purchasing farm and sideline products are affected. Peasants would have no purchasing ability despite bumper harvests, making it difficult to invigorate the markets for the means of agricultural production and the rural markets for consumer goods. Ultimately, it would be difficult to extricate the industry from difficulties, and to change the economic downturn. Therefore, we must adhere to the principle of unity between growth rates and efficiency, and strive to avoid the mistake of "being overanxious for quick results." It is very important for governments at various levels to have a good command of this principle. In light of the current economic difficulties, departments throughout the province should carry forward the party's traditional work styles; consider the public interest while doing everything; and support, understand, and cooperate with one another. They should resolutely guard against the phenomenon of passing the buck onto each other or of imposing "sanctions" on each other. All fronts should fully perform their own functions, regard economic construction as the central task in doing everything, gear their work to the needs of this central task, and render wholehearted service to invigorating the

economy and developing productive forces. In particular, economic lever departments, such as banks and financial, tax, price, and industrial and commercial administrative departments, should know the desires and pressing needs of the frontline of production. They should adopt every means to help enterprises and grass-roots units solve problems. Leading bodies and departments at various levels should take the overall situation into consideration, suggest ways and means, and make efforts to boost the economy. People who find fault with and criticize others as outsiders should be strictly criticized and educated. In short, all quarters should operate around economic construction, which is the central task. We should pool the efforts of all quarters, mobilize all positive factors, and unite all the people who can be united to work hard to change the difficult situation in our province's economic development.

Third, we should strengthen the industrial policy and adjust the industrial composition. Implementing the state's industrial policy and adjusting the industrial composition is a pressing need in consolidating and developing the achievements in the economic improvement and rectification. It is a basic measure to change the economic downturn, and is also the prerequisite for achieving sustained, stable, and coordinated economic development. We should not only have a clear understanding of this but also a strong sense of urgency. Judging from our province's situation, in strengthening the industrial policy and adjusting the industrial composition, we should presently focus on the adjustments of the product mix and the organizational structure of enterprises while implementing the plan of "developing the province through science and technology." We should conscientiously do a good job in studying and developing the industrial policy for the Eighth Five-Year Plan period, define in a reasonable way the leading industries and the priorities of industrial development of our province, and strengthen the planning for and guidance to the arrangements for regional industries. We should conscientiously implement the strategic principle of "cooperating with the areas south of the province and opening to those north of the province." We should greatly promote lateral economic ties, establish enterprise groups, and raise the level in specialized cooperation to facilitate the adjustment of the existing assets. We should adhere to the principle that investment is made to ensure key projects. We should arrange on a priority basis the projects that conform to the industrial policy and reflect technological progress so that more adjustments of the existing assets can be made with fewer increases in new assets. We should give prominence to technical transformation. Our future technical transformation projects should be focused on structural adjustment and conform to the policies on industrial development. While exerting great efforts to adjust the product mix, we should also exert great efforts to improve product quality. We should actively learn from the experience of the Tianjin Dying and Textile Company in enforcing the first-rate product quality wage system. We should earnestly regard next year as a quality, variety,

and efficiency year. Meanwhile, we should make more efforts to deepen reform, improve the mechanisms for collecting funds and lending money, reform the systems for property right management and commodity prices, persist in and improve the enterprise contracted managerial responsibility system, and gradually establish an external environment that conforms to the rational adjustment of the industrial composition and helps promote technical transformation. We should balance better the relationship between production and marketing, and actively probe into the reform of the wholesale system of state commercial units. We should further improve the system for foreign economic relations and trade, achieve success particularly in the work of the zones experimenting with the work of developing border areas through trade, and seize the "time differential" in the border trade with the Soviet Union to greatly promote the work.

Fourth, we should apply the current policies successfully, fully and flexibly, and fulfill our work creatively. To change the economic downturn, we should proceed from reality in doing everything, further emancipate our minds, apply the current policies successfully, fully and flexibly, and fulfill our work creatively. The "decision on the several policy measures to facilitate the rise in the province's industrial production and improve its economic efficiency" (namely the "50 policies") as adopted at the sixth plenum of the sixth provincial party committee not only set a series of policy measures but, more importantly, reflected the idea of further emancipating the mind, proceeding from reality in doing everything, and realistically solving economic problems in line with the criterion of productive forces. They are important policy measures that combine central guidelines with our province's actual conditions to set our province's economy on the track of sustained, stable, and coordinated development as soon as possible. All localities, all departments, and all units should not only have a good command of the articles of the "50 policies," and apply them quickly, successfully, fully, and flexibly but also have a good command of the essence of the "50 policies." They should bravely study and solve their specific problems in line with the principle and criterion that "everything conducive to the development of productive forces is compatible with the basic interest of the people, and, therefore, meets the demand of socialism, or is permitted by socialism" as stated at the 13th party congress. Focusing on implementing the "50 policies," all localities and all departments should uphold the criterion of productive forces, emancipate their minds, eliminate their misgivings, broaden their thinking, formulate detailed measures, and implement them at all levels down to the grass roots. Financial, banking, tax, commercial, material, foreign trade, and industrial and commercial administrative departments should do positive work to improve and support the policy measures for industrial production. They should help industrial enterprises solve the pressing problems that they cannot solve by themselves and render service to the grass-roots levels and to production. Localities and departments

which have not formulated detailed measures for implementing the "50 policies" should step up efforts to formulate them so that the "50 policies" developed by the provincial party committee can be truly put into effect at the grass-roots levels.

Fifth, we should pool the wisdom and efforts of the masses to promote a stable development of the economy. Chairman Mao repeatedly exhorted us during his lifetime that we should believe and rely on the masses at all times and under any circumstances. The provincial party committee's decision on launching a mass discussion on promoting the steady development of the economy across the province is a good way to mobilize and organize the masses and to pool their wisdom and efforts to tide over the difficulties. We should approach the great significance of the mass discussion from the political angle and from the high plane of stabilizing the overall situation. Through this mass discussion, we should mobilize cadres, the vast number of party members, and the people throughout the province; unify their thinking; inspire their enthusiasm; and pool their wisdom and efforts to promote a steady development of the economy, particularly to promote industrial production. We should suggest ways and means to promote a sustained, steady, and coordinated development of the economy. We should do specific deeds to answer a series of questions, such as how to stabilize and increase agricultural production based on this year's bumper harvest, how to promote industrial production and change the passive situation in industrial production as soon as possible, how to make financial and trade work serve the economic development and the improvement of the people's livelihood, how to mobilize science professionals and technicians to make positive contributions to rejuvenating agriculture, industry, trade, and the province, and how to further implement the program of "rejuvenating the province with science and technology." That is, we should mobilize the masses to discuss ways for solving the most urgent problems, such as invigorating demands, pioneering markets, and enlivening funds; implement the Eighth Five-Year Plan according to the guidelines of the central authorities; and discuss ways for solving such deep-seated problems as unbalanced systems, unreasonable structures, and low efficiency. While mobilizing the masses and pooling their wisdom and efforts to contribute to stabilizing the economy, we must change the functions of organs and the cadres' work style. Governments and departments at various levels should assume responsibilities for serving the grass roots, production, and the masses. We should persistently cater to the grass roots to do specific deeds and persistently proceed from reality to attend to the practical work. From now until the end of the year, leaders at various levels should go deep to the grass roots in a selected way and in the order of importance and help trades and units solve their practical problems while guiding their macroeconomic work. In particular, we should eliminate the concept of paralysis, realistically help poverty-stricken households and the staff and workers of the enterprises that have entirely or partially

stopped production solve their living problems, and pay particular attention to solving their basic living problems during this winter. We should make more efforts to eliminate contradictions and to make the people feel at ease. Our governments are the people's governments. So, we should try every possible means to work for the well-being of the people. We must not be careless in this regard. We must not delay the affairs that should and can be done. At present, the grass roots indicate that some departments refuse to handle the manageable affairs and some do not rapidly handle the readily manageable affairs. It is necessary to change the situation where unhealthy practices exist within organs, where their work efficiency is rather poor, and where some organs pay only attention to serving themselves. Only when the work style of organs and cadres is thoroughly changed will the people be at ease, will there be many methods for overcoming economic difficulties, and will the people be full of enthusiasm. Recently, I read an article in HEILONGJIANG RIBAO. The article talks about the issue of the efficiency gained from the concerted efforts of entrepreneurs and staff and workers. The article says that only when entrepreneurs and staff and workers each dedicate themselves to realizing the common fighting goals will the highest efficiency of the whole be organized. I think that government organs and leading cadres at various levels and the broad masses of the people should work with one heart and soul to form combined forces.

Comrades, at present, we should not only change this year's economic decline but also make preparations for next year's production and make good arrangements for the Eighth Five-Year Plan. There are great difficulties and many contradictions, because time is pressing and tasks are heavy. I hope that leading comrades at various levels continue to maintain their high morale. Under the leadership of party committees at various levels, we should unite with the vast number of cadres and the people, work with one heart and soul to tide over the economic difficulties, and fight for realizing this year's economic development plan and promoting the sustained, steady, and coordinated development of the national economy.

Township Enterprise Output Value Increases

SK3101021490 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 29 Jan 91

[Summary] During the Eighth Five-Year Plan period, the total output value of township enterprises throughout the province will increase from 14 billion yuan in 1990 to 26.5 billion yuan, showing a yearly average increase of 12.2 percent. In 1990, under the unfavorable condition that prices of raw materials rose and the market was in a slump, the total output value of the province's township enterprises still reached 14.9 billion yuan, an increase of 7.8 percent over 1989, or 10.36 billion yuan more than the 1985 figure, or showing a yearly average increase of 26.8 percent. The varieties of products turned out by township enterprises reached 3,000 or more. Meanwhile, 48 counties and cities in

the province had their township enterprise output value surpass 100 million yuan each. In addition, the province will effect an even bigger progress in developing township enterprises during the Eighth Five-Year Plan period and the coming 10 years. After three to five years' endeavor, the province will strive to establish a group of counties with their output value surpassing 500 million yuan each, a number of townships with output surpassing 100 million yuan, and a number of villages and enterprises with output surpassing five million yuan each.

Northwest Region

Gu Jinchu Calls for Implementing Plenum Spirit

HK3001100291 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 28 Jan 91

[Text] While carrying out studies and investigations in Pingliang Prefecture, Gu Jinchu, secretary of the provincial party committee, pointed out: All departments at all levels must thoroughly study and meticulously publicize the spirit of the 13th CPC Central Committee's Seventh Plenum and set strategic goals in light of the spirit. It is necessary to strengthen party building and the party leadership and do well the work in all fields by tapping local potential.

He added that the spirit of the 13th CPC Central Committee's Seventh Plenum should serve as a guide in our actions. The year 1991 is a critical year during which a favorable environment should be created for the future. In working out a program, apart from following the party plenum's spirit, we must carry out the principle of doing what is within our capacity, base the program on our advantages, stress key points, and give expression to enterprising spirit. By giving expression to enterprising spirit, we mean rousing our vigor with spiritual force and acting according to our capability. At present, the greatest difficulty facing us is shortage of funds. Great efforts should be made to overcome this difficulty. We must truly shift all economic work onto the track of raising economic efficiency. Again we must base our plan on our advantages and at the same time make the key points stand out and make the two promote each other. All levels of party committees should stand firm behind all levels of governments in the latter's efforts to make achievements in all fields. It is necessary to strengthen the party leadership over economic work, to make thorough studies and investigations, and to rely upon the collective wisdom so as to make correct and perfect policy decisions by exercising democracy and applying a scientific approach. This is the most fundamental point. In the process of acting out the program and the plan, special attention should be given to party building and ideological work so that we can have good leadership line-ups to make a success of the organizational building of grass-roots units, give play to party members' exemplary role, arouse the masses to action, and promote healthy development of the building of two civilizations.

Zhang Boxing Addresses Congress Committee

HK2901112491 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 25 Jan 91

[Text] The 19th meeting of the Seventh Shaanxi Provincial People's Congress Standing Committee was opened in Xian yesterday. Provincial party Secretary Zhang Boxing attended the meeting and relayed the spirit of the 13th CPC Central Committee's Seventh Plenum, and the spirit of the seventh provincial CPC Committee's sixth plenum. The meeting was presided over by Li Xipu, chairman of the provincial People's Congress Standing Committee.

Other topics for discussion included our province's agricultural capital construction situation, scientific and technological work, amended draft rules and regulations on managing water resources in Shaanxi Province, amended draft rules and regulations on family planning, and draft rules and regulation on filing charges and reporting cases of destroying forests, a draft resolution on convening the fourth meeting of the Seventh Shaanxi Provincial Congress, personnel appointments and removals, and so on.

At the meeting, provincial party Secretary Zhang Boxing pointed out: The 13th CPC Central Committee's Seventh Plenum, its proposal, and important central leaders' speeches are guiding thinking for the strategy of economic development during the Eighth Five-Year Plan period, and the coming 10 years. Resolutely implementing the plenum's spirit is our central task now and for a long time to come. Governments at all levels must strengthen the work of people's congresses, so that people's congresses can play a greater role in promoting economic and social development of the whole province.

He continued: As long as we follow a down-to-earth manner to work hard in accordance with the seventh plenum's spirit, we will succeed in building a powerful socialist country with Chinese characteristics.

Provincial People's Congress Standing Committee Vice Chairmen Sun Kehua, Yu Ming, Xiong Yingdong, Liu Lizhen, Wei Minghai, Tao Zhong, Mao Shengxian, Chen Xuejun, and Gao Lingsun attended the meeting.

Vice Governor Xu Shanlin, and provincial CPPCC Vice Chairmen Hu Jingtong and Li Senggui attended yesterday's meeting as nonvoting delegates.

Briefs Non-CPC Figures on Plenum

HK3101110591 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 29 Jan 91

[Text] The provincial party committee held a meeting yesterday. A brief responsible members of democratic parties, non-party personages, and responsible members of mass organizations on the 13th CPC Central Committee's Seventh Plenum and the seventh provincial party committee's sixth plenum.

Zhang Boxing, secretary of the provincial party committee, said in his report: The 13th CPC Central Committee's Seventh Plenum is a meeting of historical importance. It marks a new stage of development in China's socialist modernization. The main features and achievements of the party's plenum are: The "Proposals for the Drawing Up of the 10-Year Program and the Eighth Five-Year Plan" was formulated by giving expression to democracy. The participants unified their understanding of many problems involved in China's socialist construction, in particular, major matters of principle in economic construction. The plenum summed up in 12 points the experience in reform and opening, especially in persistence in taking the socialist road with Chinese characteristics, indicating that our party had had a better understanding of Marxist socialist theory. The plenum clearly defined the guiding ideology, tasks, and basic measures for attaining modernization's second-step strategic objective.

He added: Implementing the spirit of the 13th CPC Central Committee's Seventh Plenum to the letter calls for unified efforts by every sector of society. We must concentrate our energy on economic construction and on the attainment of the goal of quadrupling the 1980 GNP by the end of this century to achieve good results in acting out the 10-year program and the Eighth Five-Year Plan for socioeconomic development. At present, we must make a success of this year's tasks. There are still many difficulties and problems on our way ahead, and the CPC and democratic parties are required to make common efforts to overcome and resolve them. The CPC and democratic parties should seek unity of thinking and action, treat each other with full sincerity, and show understanding and sympathy for each other to make Shaanxi prosper.

(Liang Ti), provincial party committee Standing Committee member and head of the provincial party committee United Front Work Department, relayed the spirit of relevant central documents.

The meeting also discussed personnel matters.

Responsible members of various democratic parties and personages without party affiliation in Shaanxi, including (Liu Liangzhai), (Shen Jing), (Shen Shangxian), (Huang Jingshan), and (Zhang Heling), attended the meeting.

Song Hanliang Urges Parties To Work for Xinjiang

OW2701072091 Urumqi Xinjiang Television Network in Mandarin 1545 GMT 24 Jan 91

[From the "Xinjiang News" program]

[Text] Yesterday afternoon, the Xinjiang Uygur Autonomous Regional CPC Committee invited responsible persons of democratic parties and the federation of industry and commerce to a forum. Song Hanliang, secretary of the autonomous regional CPC committee, transmitted the guidelines of the Seventh Plenum of the

13th CPC Central Committee and the 16th Plenum (Enlarged) of the Third Autonomous Regional CPC Committee. He stressed that the objectives and basic principles and policies for the next 10 years laid down at the Seventh Plenum of the 13th CPC Central Committee will bring unprecedented opportunities for Xinjiang's economic development. The period from 1991 to 2000 will be a very crucial decade for our country's socialist construction; it will also be a very important decade for our region's economic construction. The key with regard to whether or not we can accelerate the pace of economic construction and lay a good foundation for all-around economic development in the 21st century lies in our struggle and efforts in the next ten years.

Comrade Song Hanliang said that in the course of socialist modernization construction, reform, and opening to the outside world, democratic parties, people without party affiliation, and patriotic people have closely cooperated, shared weal and woe with our party, and made major contributions to the stability and development of the autonomous region. We will consolidate and develop the relationship of long coexistence, mutual supervision, utter devotion to each other, and perfect harmony between the Communist Party and democratic parties. In practice, we will constantly improve and develop a socialist party system with Chinese characteristics and fully bring into play democratic parties' role of political involvement and supervision. It is hoped that comrades and friends here will always work with one heart and mind; adhere to the guidelines laid down at the Seventh Plenum of the 13th CPC Central Committee and the 16th Plenum (Enlarged) of the Third Xinjiang Uygur Autonomous Regional CPC Committee; and contribute to the socialist construction, reform, and opening of our region.

Responsible comrades from the Huangpu Alumnus Association and the All-China Federation of Taiwan Compatriots in Xinjiang attended the forum.

Relays Plenum Guidelines to CPPCC

OW3101091191 Urumqi Xinjiang Television Network in Mandarin 1545 GMT 30 Jan 91

[From the "Xinjiang News" program]

[Text] The 12th Standing Committee Session of the Sixth Xinjiang Uygur Autonomous Regional CPPCC [Chinese People's Political Consultative Conference] Committee ended in Urumqi yesterday. During the session, the members listened to Song Hanliang, secretary of the regional party committee, relaying the guidelines of the Seventh Plenum of the 13th CPC Central Committee and the 16th Enlarged Plenum of the Third Xinjiang Uygur Autonomous Regional CPC Committee, eagerly studied documents of the Seventh Plenum, and held a lively discussion.

The members indicated that they fully support the proposals made by the CPC Central Committee and adopted at the Seventh Plenum regarding the national

economy and social development during the 10-year program and the Eighth Five-Year Plan. The session argued that suggestions on economic and social development in Xinjiang under the 10-year program and the Eighth Five-Year Plan made by the regional CPC Committee carry through the guidelines of the Seventh Plenum of the 13th CPC Central Committee and that they are realistic and in line with reality in Xinjiang. With a high sense of revolutionary responsibility and as masters of their own affairs, the members candidly proposed some concrete views and proposals.

The session also examined and approved the decisions to convene the Fourth Session of the Sixth Autonomous Regional CPPCC Committee, to incorporate the autonomous regional Association for Science and Technology and Federation of Overseas Chinese as bodies under the autonomous regional CPPCC committee, and to establish the XINJIANG ZHENGXIE BAO [XINJIANG CPPCC NEWS]. The session proposed that activities be organized to celebrate the 80th anniversary of 1911 Revolution on 10 October this year.

The session called on CPPCC committees at all levels in Xinjiang to actively organize their members to seriously study and implement the guidelines of the Seventh Plenum of 13th CPC Central Committee and the 16th Enlarged Plenum of the Third Regional CPC Committee, heighten their awareness, reach a common understanding, inspire themselves with enthusiasm, truly perform their basic functions in political consultation and democratic supervision, resolutely uphold the principle that stability overrides everything, safeguard the integrity of the motherland, strengthen national unity, and contribute to the preservation and development of a peaceful and united political situation as well as sustained, stable and balanced economic growth in Xinjiang.

The autonomous regional CPPCC Committee's Vice Chairman Wang Shizhen presided over the session; Vice Chairman Fu Wen spoke; and Vice Chairmen Kanbarhan Amat, Han Youwen, Tayier Maimaitili, Zhao Ganqing, Yibulayin Rouzi, Deyal Khumash, Zhang Yi, Ga Wenxiang, Memetnizay Hara and Aronghanaji attended the session.

Congress Committee Studies 7th Plenum Communiqué
OW2701083891 Urumqi XINJIANG RIBAO in Chinese
11 Jan 91 p 1

[By reporter Wu Yadong (0702 0068 2639)]

[Text] On the afternoon of 9 January, the 18th Standing Committee meeting of the Seventh Xinjiang Autonomous Regional People's Congress broke into groups to study and discuss the communiqué of the Seventh Plenum of the 13th CPC Central Committee. Supporting the communiqué wholeheartedly, the Standing Committee members expressed their determination to relay and implement the guidelines of the Seventh Plenum of

the 13th CPC Central Committee so as to contribute to promoting socialist modernization in Xinjiang.

The committee members held: The "Proposals of the CPC Central Committee for the Drawing-Up of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development" is the guiding principle for national development in the coming decade. In a departure from past practice, the Seventh Plenum of the 13th CPC Central Committee put forward the 10-year program and the Eighth Five-Year Plan together as an integral whole and clearly laid out the objectives. The proposals of the CPC Central Committee reflect continuity in its policy since the nation's reform and opening to the outside world were launched. The policy of five "firm implementations" formulated on the basis of a summing-up of past experiences and lessons is in line with the national conditions and the objective law of social progress and development, and marks a new turning point in our country's socialist construction.

The committee members are confident of fulfilling the target of sextupling [fan liang fan ban 5064 0357 3972 0584] the regional GNP by the year 2000. They held, however, that we must bear Xinjiang's realities in mind, earnestly analyze the regional conditions, and work out the region's 10-year program and Eighth Five-Year Plan on the basis of a thorough study of our strong points and unfavorable factors and scientific demonstrations. There are two outstanding contradictions in Xinjiang's economic development process: First, considerable financial difficulties still exist in spite of progress in economic development. Second, economic returns (or efficiency) of enterprises still lag behind, resulting in a considerable portion of revenue being used to subsidize enterprise losses; and output of agriculture and animal husbandry have gone up, but damage to such means of production as water, grasslands, and the environment, has been constant causing concern over the region's long-term production capacity. We should seriously seek solutions to these two problems in our work in 1991. The Standing Committee members stressed that the committee should properly carry out legislative and supervisory work and keep in mind the Eighth Five-Year Plan and the 10-year program, and devote efforts to accomplishing these magnificent goals.

On 10 January, the committee members held group discussions on the "Methods of the Autonomous Region for Implementing the 'Urban Planning Act' (Revised Draft)," a work report on the deepening of reform in agricultural and animal husbandry production and on promoting agriculture through science and technology, a report on suggestions on the handling of the motions of the Third Session of the Seventh Regional People's Congress, and proposals on appointments and dismissals.

Discusses Plenum Results

OW2701112791 Urumqi XINJIANG RIBAO in Chinese
13 Jan 91 P 1

[Text] The 18th Session of the Standing Committee of the Seventh Xinjiang Uygur Autonomous Regional People's Congress ended on the afternoon of 12 January. Amudun Niyaz, chairman of the Standing Committee of the regional people's congress, presided over the closing meeting.

For the first time since the establishment of the Standing Committee, the session used an electronic device to count the results of voting. The session adopted the "(Draft Revision of) Methods for Implementing the City Planning Law"; the "Report on Handling Motions of the Third Session of the Seventh Xinjiang Uygur Autonomous Regional People's Congress"; the namelist of appointments and dismissals of some cadres of the Regional People's Government; and the proposal for electing deputies to the National People's Congress to fill vacancies.

Amudun Niyaz, chairman of the Standing Committee of the regional people's congress, delivered a closing speech. He said: The "Proposals of the CPC Central Committee for the Drawing-Up of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development," adopted by the Seventh Plenum of the 13th CPC Central Committee, have affirmed the main tasks in the next 10 years and the "Eighth Five-Year Plan" period. Among the key points in economic construction, the vigorous strengthening and development of agriculture is of most importance. This is completely correct. Agricultural and livestock production occupy an extremely important position and will play an important role in promoting this region's overall economic construction. We must not have any doubt in this regard. We also must not take things lightly because of our success in this field during the past 13 years.

Amudun Niyaz said: We must firmly adhere to people's democratic dictatorship and thoroughly expose and strike relentless blows at hostile forces and law offenders and criminals. Only in this way can we maintain prolonged peace and stability for the country and create a favorable social and political environment for smoothly implementing the 10-year program and the "Eighth Five-Year" Plan.

The "proposals" adopted at the Seventh Plenum of the 13th CPC Committee have included the strengthening of socialist democracy and the socialist legal system as one of the basic tasks for attaining the second-step strategic objectives of modernization. The "proposals" stress the need to persevere in efforts to perfect the system of people's congresses, and strive to promote socialist democracy with Chinese characteristics. These are important component parts of our country's reform and

opening to the outside world and socialist construction. They fully accord with the principles of the Constitution, represent the common wish and fundamental interests of people of all nationalities, suit the situation in our country, and are important measures to actively and properly promote the reform of our country's political structure. The regional people's congress and local people's congresses at various levels and their standing committees must be duty-bound in assuming this responsibility and raise the quality of work of local state power to a new high level in order to fulfill the requirements set by the "program." People's congresses at various levels should improve their own building, seek unity of thinking with the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee, and make contributions to realizing the goals set by the 10-year program and the "Eighth Five-Year Plan" for national economic and social development.

Tomur Dawamat Conducts Xinjiang Textile Meeting

OW3001094291 Urumqi Xinjiang Television Network
in Mandarin 1545 GMT 29 Jan 91

[From the "Xinjiang News" program]

[Text] Tomur Dawamat, chairman of the Xinjiang Uygur Autonomous Regional Government, recently addressed a Xinjiang textile industry work conference. He said: The region's textile and garment industry should make full use of all favorable conditions and opportunities to bring about big development and still make greater contributions to the region's economic construction in the next ten years and during the Eighth Five-Year Plan period. In the last decade—the Seventh Five-Year Plan period in particular—our region's textile industry developed rapidly and achieved marked results. In that period, Xinjiang's textile industry increased product varieties and greatly raised quality, thus raising its competitiveness on domestic and international markets. The amount of foreign exchange that Xinjiang's textile and garment industry earned has accounted for one-fourth of the region's foreign exchange earnings.

Tomur Dawamat said that in the next ten years and during the Eighth Five-Year Plan period, we should make full use of the advantages of abundant oil and natural gas resources in the autonomous region, readjustments in the nation's light industry production capability and structure, preferential policies formulated by the state to encourage economic development in border and remote areas inhabited by minority nationalities, and advantageous conditions of continuous bumper harvests in order to develop cotton and wool spinning and help silk and chemical fiber industries in a planned way; enhance the capability of other industries which support textile production; establish a textile industry base step by step; give priority to the development of the garment industry; raise the level of exquisiteness and depth of processed products; and enhance the capability of the textile industry to earn more foreign exchange.

Editorial Examines Trial of Wang Dan

OW3001130191 Taipei CHUNG KUO SHIH PAO
in Chinese 26 Jan 91 p 3

[Editorial: "The Chinese Communists' Reform Policy Should Extend to Human Rights and the Legal System: Looking at the Essence of the Chinese Communists' Rule From the Trial of Those Who Participated in the Democratic Movement"]

[Text] At a time when the flames of Gulf war are spreading, the Chinese Communists, taking advantage of the shift in international attention, put student leader Wang Tan [Wang Dan], who participated in the "4 June Tienanmen [Tiananmen] Incident," on trial and began prosecution of others people who participated in the democratic movement. The Chinese Communists' action not only has exposed the essence of their concentration of power by using the judicial system to rule people, but also has shown that they still are unable to make a penetrating self-examination of the "Tienanmen Incident." They want neither to cure the historical wound nor to adjust the structure of political power. This certainly will lead to the further deterioration of the legitimacy of their weakened rule.

It was reported that those young intellectuals and people who participated in the democratic movement, including Wang Tan, were charged with the crime of "counterrevolution" and "subverting the government," and were tried according to criminal law. However, no foreign reporters were allowed to attend the trial of Wang Tan on Wednesday. The Chinese Communists designated a public attorney as his defender, but rejected his family's request to hire lawyers to defend Wang Tan's case. Although the Chinese Communists' official spokesman repeatedly declared that the trial would be conducted "in accordance with the law" and in an "open" manner, they have now done exactly the opposite, not even paying any attention to the minimal "normal legal procedures." How can the Chinese Communists talk glibly about a legal system? In fact, the Chinese Communists' series of trials are nothing but a demonstration of the same naked suppression of the democratic movement; where once they used armed force, now they use judicial means. In essence, those trials are a continuation of that violent suppression.

Like all countries with a concentration of state power—both ancient and modern, both Chinese and foreign—the Chinese Communists' suppression of political dissidents is extremely severe. Based on their ossified way of thinking, they invariably classify political dissidents as "counterrevolutionary elements" and they enforce political persecution through their rigid public security, procuratorial, and judicial system without any consideration for human rights. This completely conforms, in both theory and practice, with the Chinese Communists' definition of the word judiciary as "actions taken on behalf of the state to deal with any behavior that endangers the order of rule, and to impose the will of the state."

For this reason, during their inner party struggles and their suppression of the public in the four decades and more since the founding of the Chinese regime, whoever controls the state apparatus will control the judicial organs and have the power to label dissidents as "counterrevolutionaries." The trial of Wang Tan and other young intellectuals and democracy advocates is nothing new, but another display of the essence of dictatorship.

After the "4 June Incident," the Chinese Communists' highest policymakers decided that the policy of reform and opening to the outside world would remain unchanged, and that reform and opening to the outside world would be carried out in an even better, faster, and more stable way. However, the policy of reform and opening to the outside world cannot be limited to economics. It must be founded on a legal system with freedom and rule by law as the central idea in order to arouse enthusiasm among the people and invigorate productive economic forces. In last 10 years of reform, the Chinese Communists have made efforts to build the legal system and have promulgated a number of important basic laws and enterprise regulations, but in practice they have always practiced the supreme program of autocratic rule, which never changes. One example was the Assembly and Demonstration Law, a law of extreme control formulated in a rush during the "4 June Incident" period. The trial of those involved in the 4 June Incident today shows once more the essence of their legal system, which substitutes the rulers' will for judicial functions. It also shows the infeasibility of their policy for building a legal system, as well as the limitations of the policy of reform and opening to the outside world.

Reviewing the causes of the "4 June Incident," we discover that it was caused mainly by the broad masses of youths, students, and intellectuals advocating freedom and democracy and opposing totalitarianism and dictatorship. However, if the causes are probed a little more deeply, one cannot help asking a question: How could those unarmed young people nearly succeed in destroying the 40-year-old regime, which proved so fragile, if the people did not resent bureaucratic racketeers and if there were no internal contradictions and division caused by high-level power struggle among Chinese Communists? Student demonstrations and protests happen in all democratic countries. Has any democratic country ever tried student demonstrators on charges of being "counterrevolutionaries," which means treason? Instead of examining themselves, the Chinese Communists are going so far as to shift the blame of bureaucratic corruption and racketeering and high-level power struggle onto pure and righteous young students and intellectuals. To assume such an irresponsible attitude, the Chinese Communists either are ignorant or have lost the ability to handle problems according to objective principles. This should not have been done by anyone who persistently emphasizes the need to seek truth from facts. The Chinese Communists' hostility toward young intellectuals and the hatred created by this hostility could become the most fundamental crisis of the Chinese Communist regime in the future.

It has been one and one-half years since the "4 June Incident." Armed suppression has restored tranquillity in society, but the bud of democracy has sprouted already and the foundations of dictatorship have been shaken. The Chinese Communist authorities are still ignoring the rising force of change under their rule. They are neither treating the incident as a historical tragedy nor taking the opportunity of the temporary social tranquillity to reappraise the nature of the incident, readjust the structure of their regime, and alleviate the people's resentment as soon as possible. On the contrary, they are following up the violent armed suppression with a dictatorial trial of the young intellectuals. Instead of reexamining themselves, they are continuing to make mistakes. They are bound to bear the consequences of these mistakes.

Judging from the main trend, if the Chinese Communists must take the road of reform and opening to the outside world from now on, it will be very difficult for them to control changes in social foundation according to their subjective will. Amid the main current, freedom for the people, tolerance of political differences, and respect for law will be inevitable. If the Chinese Communists stubbornly oppose this current and continue their present manner of rule, their policy of openness will become a catalyst for bureaucratic racketeering and corruption, and will accelerate the collapse of their regime. We always believe that any regime will have a legitimacy crisis if it upholds one-party dictatorship, tolerates no other political parties, rejects parliamentary politics and democratic elections, and treats the judiciary as a tool of its rule. If it practices the policy of reform and opening to the outside world under such a crisis, its legitimacy crisis will be further intensified. The trial of young intellectuals involved in the "4 June Incident" fully shows the serious legitimacy crisis of the Chinese Communist regime.

While the relations between the two sides across the Strait are becoming better and better, what we should be concerned about is not limited to Chinese Communists' economic policy, reform and opening to the outside world, their united front tactics, and their policy toward Taiwan. We should be even more concerned about the structural improvement of the Chinese Communist regime, their respect for human rights, their implementation of laws, and the prospects for democracy under their rule. Only after the Chinese Communists thoroughly improve this basic political structure will it be possible for them to have closer political and economic relations with Taiwan, and will there be good prospects for China's reunification, as well as a timetable for ending the split. This, of course, is the long-expected ultimate goal of the Chinese people on both sides of the Strait.

Public Opposed To Aiding Multinational Forces

OW3001104591 Taipei International Service
in English 0200 GMT 29 Jan 91

[Text] The ROC [Republic of China] Government will not offer any assistance to the United States and its allies

in the Gulf. Foreign Minister Fredrick Chien has said that the ROC will give money and other help to Gulf allies only under one condition: So long as Taiwan people promise it. But current public opinion on Taiwan does not support aid to the allies, according to newspapers and several polls by private foundations.

The foremost concern of Taiwan residents is the safety of ROC citizens in the Gulf region. If they are not evacuated, and if the public feels that aid to the U.S.-led coalition is taking priority, government policy will not be accepted by the people, said Chien.

Chien noted that the ROC Government will not be able to provide economic assistance to Gulf allies right now, but if public sentiment favors it, the Foreign Ministry will ask the cabinet and Legislative Yuan to increase [word indistinct]. Fredrick Chien said that Taiwan's economic situation cannot be measured by its famous foreign exchange reserve of over \$73 billion. He noted that Taiwan people are prosperous, but the government is needy.

Prototype IDF Fighter Planes Exhibited

OW3001094691 Taipei CHUNG YANG JIH PAO
in Chinese 26 Jan 91 p 1

[Text] On 23 January, the Defense Ministry Aviation Development Center showed three prototype IDF [indigenous defense fighter] planes to the military press corps. The planes, dubbed "Ching-kuo," have successfully undertaken 450 test flights. Air Force Commander General Lin Wen-li said that in the next three to four years the IDF planes will formally replace the F-104's and F-5E's, currently the backbone of Air Force planes, and will be our country's main fighter planes in the 21st century.

The Aviation Development Center showed three of the four existing prototype IDF planes to military press corps at the Air Force's Chingchuankang Air Base. Two are test planes; another has been constantly improved and was test flown by nine senior Air Force officers, including Chief of General Staff Chen Sheng-ling, General Lin Wen-li, Hua Hsi-chun, Chao Chih-yuen, Tang Fei, Chi cheng-wen, Ting Shen-pin, Chou Wen-chung, and Li Hsin-cheng. Star decals have been inscribed on the plane to mark the flights of the generals.

When the "Ching-kuo" fighters are put into formal service, in addition to carrying infrared guided missiles under their fuselages and wings, they will be equipped with Sidewinder missiles and 20 mm cannons, which are quite enough to strike at the enemy effectively.

Lin Wen-li stressed that the IDF "Ching-kuo" fighters have a small body, with great horsepower and speed. They will not be easily detected by radar. By the year 2000, they will still meet the requirements of our Air Force's interception tasks. They will replace the current backbone F-104 and F-5E fighters and become the major air defense force of the future.

Air Force Stages Night Attack Drill

OW3001092291 Taipei CHUNG YANG JIH PAO
in Chinese 26 Jan 91 p 1

[Text] The ROC [Republic of China] Air Force's Night Attack Squadron, unveiled for the first time since its formation 14 years ago, put on a show of its power for the media on the night of 23 January. The main missions of the squadron include anti-electronic warfare, combating surprise attacks and aerial flares by the communist Chinese, action against illegal immigration and smuggling, and protecting fishing boats. The squadron, composed mainly of ROC-manufactured AT-3 fighters, is equipped with attack weapons. Major General Li, head of the Chingchuankang Air Base, said that all Air Force pilots of the National Army have received night attack training, and added that six AT-3's and three F-104's took part in the night attack demonstration on 23 January.

The Night Attack Squadron, formed in the ROC Air Force in 1977 for the purpose of combating night attacks, countering electronic warfare and aerial night flares, combating smuggling and illegal immigration, and protecting fishing boats, used T-33 aircraft. It carried out a night attack exercise in the same year. The squadron's aircraft were replaced by ROC-manufactured AT-3 aircraft in 1989. Equipped with attack weapons and capable of flying at subsonic and supersonic speeds, the AT-3's are ready to execute their mission at any time.

Major General Li said the present squadron will be able to respond to orders within 30 minutes to an hour. If necessary, it can be ready in 15 or even five minutes. Although the squadron is composed mainly of AT-3 fighters, all Air Force pilots are required to receive night flight training in order to qualify as fighter pilots. Therefore, when required by a war situation, all Air Force fighters are capable of carrying out night attack missions.

Since the recent Tiaoyutai incident, the squadron has included protection of fishing boats as one of its missions. It is ready to patrol Taiwan Strait airspace and that in the vicinity of Tiaoyutai.

The night attack demonstration conducted at Chingchuankang Air Base on the night of 23 January included six AT-3 fighters, which carried out their mission in three groups. They, along with the three sorties by F-104

fighters, demonstrated the squadron's night fighting power. Although the Air Force has announced that the squadron is composed mainly of AT-33 Tzuchiang training aircraft, an official of the Air Force has revealed that the A-3 Leiming attack aircraft, the twin-brother of the AT-33, will be the main force of the squadron in the future.

According to data revealed by foreign military journals and Britain's JANE'S yearbook, the electronic and navigational equipment of the Leiming attack aircraft includes a high-frequency communications system, a radio tactical navigational system that can distinguish hostile and friendly targets, and a fully automatic landing system for times when visibility is zero.

Its weapons system, like that of the AT-33 aircraft, includes a monitoring screen, an aiming device, and a camera. Each wing can carry an AIM-9 Sidewinder, and under the wings and the fuselage are five hangers that can carry a 6,000-pound machine gun, rockets, missiles, and bombs, according to need.

The body of the Leiming attack plane is made of a semi-hard structure of aluminum alloy. Some parts of the fuselage are made of stainless steel, magnesium, and graphite and resin materials. The main wings are of a multibeam, light alloy structure. The secondary wings are of a honeycomb structure, controlled by electronics and hydraulic devices.

To ensure the safety of pilots, the Leiming attack aircraft's single-seat cabin is equipped with a MK-10 rapid spring seat and a "micro explosion system" made by [Matin-Pakard] Company. This provides a high degree of protection for the pilot when he wishes to leave the plane in an emergency either on land or in flight. The pilot's cabin and the engine cabin are equipped with a fire warning system and an automatic fire extinguishing system.

The A-3 attack fighter is evolved from the AT-3 training plane. The fuselage and engine of the two are about the same, but the performance of the A-3 is superior in all respects.

When the A-3 attack aircraft join the Air Force, they will be able to play an assisting role in aerial combat over land and sea. In this way, the real fighters can concentrate on seeking superiority in aerial combat.

Hong Kong

International School Receives Bomb Threat

HK3101072891 Hong Kong HSIN WAN PAO
in Chinese 31 Jan 91 p 4

[Report: "Over 1,000 Pupils of International School Are Evacuated After Receipt of Bomb Threat"]

[Text] The police spokesman said this morning that at 0940 local time, Hong Kong International School received a mysterious [shen mi 4377 4434] telephone call, saying that a bomb had been planted inside the school. However, after a police search, no bomb was discovered.

Hong Kong International School has about 1,800 students, most of whom are Americans. The police said: At 0940 this morning, the school received a telephone call from a person who refused to reveal his name. He spoke in English and said that a bomb had been planted inside the school. This morning, students in the school were all evacuated for a time.

After the police investigation, it was ascertained that no bomb was planted in the school, and everything there then returned to normal.

After the outbreak of the Gulf war, in Hong Kong, institutions which have relations with the United States have tightened up their security measures. However, the police refused to comment on whether this event was related to the impact of the Gulf incident.

After the war broke out, Hong Kong International School authorities advised students there to keep a low profile. They were told not to wear school uniforms or even carry bags bearing the school insignia.

Local Office To Handle Taiwan-Mainland Ties

HK3001012791 Hong Kong SOUTH CHINA
MORNING POST in English 30 Jan 91 p 8

[By Willy Wo Lap Lam]

[Text] Taiwan is planning to set up an intermediary body in Hong Kong to handle its relations with the mainland, sources said yesterday.

The Foundation for Exchanges Across the Taiwan Strait (FEATS), a quasi-official organisation established by Taipei late last year to manage the island's myriad exchanges with China, is planning to open a branch in Hong Kong as a first step toward setting up representative offices in Chinese cities.

The sources said that, to ensure ease of operation, the Hong Kong branch would fall under the umbrella of the right-wing Kowloon Chamber of Commerce.

The director-general of the chamber, Mr Leung Bing-koi, said yesterday "people close to the chamber" had established a People-to-People Exchange Centre Across the Taiwan Strait, and that it had already been registered with the Hong Kong Government.

However, Mr Leung refused to say whether the centre would function as the Hong Kong branch of FEATS.

"We have to await further instructions from Taipei," Mr Leung said. "Things are still in their infancy at this moment."

FEATS is headed by well-known industrialist Mr Koo Chen-fu. Its vice-chairman and secretary-general is Mr Chen Chang-wen, who is also head of Taiwan's Red Cross.

Beijing, which has consistently pressed the ruling Kuomintang in Taiwan to begin "party-to-party" talks with the Chinese Communist Party, has frowned on the activities of unofficial "intermediary bodies".

However, Beijing has not explicitly stated that it would not allow FEATS to establish branches on the mainland.

"Taipei hopes a successful FEATS office in Hong Kong will persuade Beijing to adopt a more favourable attitude towards the intermediary body," a political analyst said.

The Taiwan Government has also indicated that the Hong Kong and Macao Office under the Mainland Affairs Council will be strengthened to handle Taiwan's interest in the territory after 1997.

Set up in late 1990, the council is a ministerial-level organ that co-ordinates Taiwan's policy towards China, including Hong Kong.

In a speech in Taipei, the vice-chief of the council, Mr Ma Ying-jeou, said staff and expenses for the Hong Kong and Macao Office would be increased. Mr Ma reiterated that Taipei would not retreat from Hong Kong by 1997.

Macao

Basic Law Consultative Committee Meets 28 Jan

OW3001104991 Beijing XINHUA Domestic Service
in Chinese 1249 GMT 29 Jan 91

[By reporter Luo Zhaoming (5012 3564 2494)]

[Text] Macao, 29 Jan (XINHUA)—The Macao Basic Law Consultative Committee held its Fourth Plenary Session on the evening of 28 January. The meeting called for further bringing into play the function of the special consultative group and continuously carrying out comprehensive and in-depth consultative work.

The meeting stressed the need to continuously step up contacts with the drafting committee in the first half of this year, develop timely understanding of progress in drafting of the basic law, and carry out in-depth consultative work. Regarding issues of concern to people in Macao and controversial problems, the meeting called on various special groups to hold repeated consultations through various channels so that a wider range of opinions may be solicited for the drafting committee's reference.

The consultative committee has decided to establish a special planning group to carry out design and propaganda work for the flag and insignia of the Macao Special Administrative Zone.

END OF

FICHE

DATE FILMED

1 FEBRUARY 1991

